



Telluride Mountain
Title Company

335 W. Colorado Avenue
P.O. Box 1440
Telluride, CO 81435
Phone 303-728-3025
FAX 303-728-6416

1203396 - R8 SDMS

Martin S. Bregman
President
Sharon Helwig-Miller
Vice-President

January 04, 1995

Rec'd:
Date:

RICO PROPERTIES, LLC.
ATTN: JACK DUKSIN
TELLURIDE, CO 81435

RE: RICO PROPERTIES

Dear Jack:

Enclosed, please find the following documents for your files
regarding your sale of the above referenced property:

1. Warranty Deed, recorded 11/29/1994 in Book 266 at page
441-442 - ORIGINAL;
2. Warranty Deed, recorded 11/29/1994 in Book 266 at page
443 - ORIGINAL;
3. Warranty Deed, recorded 11/29/1994 in Book 266 at page
444 - ORIGINAL;
4. Warranty Deed, recorded 11/29/1994 in Book 266 at page
445-458 - ORIGINAL;
5. Deed of Trust, recorded 11/29/1994 in Book 266 at page
459-463 - copy;
6. Warranty Deed, recorded 11/29/1994 in Book 266 at page
464-465 - ORIGINAL;
7. Warranty Deed, recorded 11/29/1994 in Book 266 at page
466-467 - ORIGINAL;
8. Promissory Note, Dated 04/01/1994 in the amount of \$1,499,900.00
made payable to Rico Development Corporation - copy;

Rico Properties
January 4, 1995
Page 2

9. Cancelled Promissory Note, dated 04/01/1994 in the amount of \$1,499,900.00 made payable to Rico Development Corporation -ORIGINAL;
10. Bill of Sale, dated 11/09/1994 for ten dollars - copy.

If you have any questions, please do not hesitate to call. Please be sure to request Telluride Mountain Title Company for any Title Insurance or escrow services you may need in the future.

Sincerely,



Sheila Odlaug
Escrow Assistant

sao-940823d

Enclosures

cc: TMT #94080023

Date 9-20-1994

Recorded at 3:00 o'clock P.M. 9/29/94

Reception No. 134526 Book 266 Page 441-44

WARRANTY DEED

Carlene White Recorder, Colorado

of Nellatt
depi

THIS DEED, Made this 11TH day of NOVEMBER, 1994, between RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY of the County of DOLORES and State of COLORADO, grantor, and RICO RENAISSANCE LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY whose legal address is P.O. BOX 725, TELLURIDE, CO 81435 of the County of SAN MIGUEL and State of COLORADO, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of DOLORES and State of Colorado described as follows:

THAT PROPERTY DESCRIBED ON EXHIBIT WD-RRLLC-1, ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

as known by street and number as: TRACTS IN RICO

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except

THOSE OF RECORD

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

Rm White

BY:
AS: MANAGER

M. JACK DUKSIN

BY: M. JACK DUKSIN
AS: MANAGER

STATE OF COLORADO)
) s.s.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 22nd day of NOVEMBER, 1994 by RICHARD M. THEILE AND M. JACK DUKSIN AS MANAGERS OF RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

THE FOLLOWING DESCRIBED PATENTED FEE LANDS LOCATED IN DOLORES COUNTY, STATE OF COLORADO, WHICH ARE MORE PARTICULARLY DESCRIBED BY REFERENCE TO TOWNSHIP, RANGE AND SECTION (ALL WITH REFERENCE TO THE N.M.P.M.), AS FOLLOWS:

TOWNSHIP 41 NORTH, RANGE 10 WEST

SECTION 14: SW/4 NE/4

NW/4 SE/4

SECTION 35: SE/4 NW/4

E/2 SW/4

TOWNSHIP 40 NORTH, RANGE 10 WEST

SECTION 2: NE/4 NW/4

E/2 SE/4

All as described in that certain Treasurer's Deed from Treasurer of Dolores County to The Rico Argentine Mining Company, dated December 29, 1941, and recorded in the Real Property Records of Dolores County, Colorado on December 31, 1941 in Book 63 at page 79.

THE FOLLOWING DESCRIBED PATENTED FEE LANDS LOCATED IN DOLORES COUNTY, COLORADO, WHICH ARE MORE PARTICULARLY DESCRIBED BY REFERENCE TO TOWNSHIP, RANGE AND SECTION (ALL WITH REFERENCE TO THE N.M.P.M.) AS FOLLOWS:

TOWNSHIP 40 NORTH, RANGE 10 WEST

SECTION 20: SW/4 SE/4

SECTION 29: N/2 NE/4

NE/4 NW/4

All as described in that certain Treasurer's Deed from Treasurer of Dolores County to Rico Argentine Mining Company, dated and recorded in the Real Property Records of Dolores County on October 27, 1944, in Book 63 at page 103.

AND

A tract of land referred to as "Group Tract" located within Townsite of Rico more particularly described as follows: Beginning at the Northeast Corner on line 16-17 in the Townsite of Rico; thence South 10 degrees West 676 feet to the Southeast corner which is also Corner No. 17 of Rico Townsite; thence West 1021.8 feet to the Southwest corner, a post in line 1-2 of the Pasadena Reduction Company Tract; thence North 1 degrees 52 minutes West 1052.6 feet to Northeast Corner of J.M. Acker or Winkfield claim; thence North 4 degrees 3 minutes West 100 feet to the Northwest corner, a post, thence North 87 degrees 54 minutes East 153.8 feet to a post in the center of River Street; thence South 2 degrees 6 minutes East 350 feet along the center line of River Street to a post; thence South 87 degrees 54 minutes West 30 feet to a post on the west line of River Street; thence South 2 degrees 6 minutes East 600 feet along the West line of River Street to a post; thence North 87 degrees 54 minutes East 476 feet to the Southeast Corner of Block 38; thence North 2 degrees 6 minutes West 560 feet to the Southeast Corner of Lot 21, Block 10; thence North 87 degrees 54 minutes East 116 feet to the Southeast Corner of Block 10; thence North 2 degrees 6 minutes West 54 feet to a post; thence South 68 degrees 42 minutes East 486.1 feet to the place of beginning.

AND

Little Ada North Tract as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

AND

Lots 3, and 4, Block 1, Town of Rico, according to the plat filed in the office of the Clerk and Recorder,

County of Dolores,
State of Colorado.

LEFTSIDE MOUNTAIN LIFE CO.
BOISE, IDAHO
REGISTERED TO:
LEFTSIDE MOUNTAIN LIFE CO.

WARRANTY DEED

THIS DEED, Made this 11TH day of NOVEMBER, 1994, between
RICO DEVELOPMENT CORPORATION, A COLORADO
CORPORATION

a corporation duly organized and existing under and by virtue of the laws of the State
of COLORADO, grantor, and
RICO PROPERTIES LIMITED LIABILITY COMPANY, A
COLORADO LIMITED LIABILITY COMPANY

whose legal address is P.O. BOX 220
RICO, CO 81332

of the County of DOLORES and State of COLORADO, grantee:

doc fee = exempt

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND
VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is
hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm,
unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the
County of DOLORES and State of Colorado described as follows:
Lots 3, and 4, Block 1, Town of Rico, according to the plat
filed in the office of the Clerk and Recorder, County of
Dolores, State of Colorado.

as known by street and number as: LOTS 3-4, BLK 1, RICO

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion
and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand what-
soever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and
assigns forever. And the grantor, for itself, and its successors, does covenant, grant, bargain, and agree to and with the grantee, his heirs
and assigns, that at the time of the enrolling and delivery of these presents, he is well seized of the premises above conveyed, has good,
sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to
grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other
grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except
THOSE OF RECORD

The grantor shall and will WARRANTY AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession
of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular
number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, The grantor has caused its corporate name to be hereunto subscribed by its
President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above
written.

Attest:

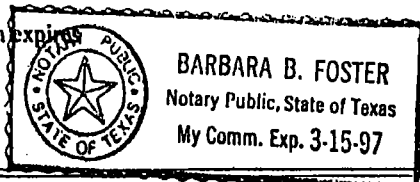
RICO DEVELOPMENT CORPORATION, A
COLORADO CORPORATION

By Wayne E. Webster
WAYNE E. WEBSTER, PRESIDENT

State of Texas)
County of Henderson) ss.

The foregoing instrument was acknowledged before me this 9th day of NOVEMBER, 1994,
by WAYNE E. WEBSTER AS PRESIDENT OF RICO DEVELOPMENT CORPORATION, A COLORADO
CORPORATION

My commission expires



Witness my hand and official seal.

Barbara B. Foster
Notary Public

WARRANTY DEED

THIS DEED, Made this 14TH day of NOVEMBER, 1994, between
RICO DEVELOPMENT CORPORATION, A COLORADO
CORPORATION

a corporation duly organized and existing under and by virtue of the laws of the State
of COLORADO, grantor, and
RICO PROPERTIES LIMITED LIABILITY COMPANY, A
COLORADO LIMITED LIABILITY COMPANY
whose legal address is P.O. BOX 220

doc fee = exempt

RICO, CO 81332
of the County of DOLORES and State of COLORADO, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND
VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is
hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm,
unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the
County of DOLORES and State of Colorado described as follows:
Lots 36, 37, 38, 39 and 40, Block 1, Town of Rico, according to
the plat filed in the office of the Clerk and Recorder, County
of Dolores, State of Colorado.

as known by street and number as: LOTS 36-40, BLK 1, RICO

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion
and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand what-
soever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and
assigns forever. And the grantor, for itself, and its successors, does covenant, grant, bargain, and agree to and with the grantee, his heirs
and assigns, that at the time of the enrolling and delivery of these presents, he is well seized of the premises above conveyed, has good,
sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to
grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other
grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except
THOSE OF RECORD

The grantor shall and will WARRANTY AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession
of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular
number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, The grantor has caused its corporate name to be hereunto subscribed by its
President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above
written.

Attest: RICO DEVELOPMENT CORPORATION, A
COLORADO CORPORATION

By Wayne E. Webster
WAYNE E. WEBSTER, PRESIDENT

State of Texas,
County of Henderson, ss.

The foregoing instrument was acknowledged before me this 14th day of NOVEMBER, 1994,
by WAYNE E. WEBSTER AS PRESIDENT OF RICO DEVELOPMENT CORPORATION, A COLORADO
CORPORATION

My commission expires _____ Witness my hand and official seal.
BARBARA B. FOSTER
Notary Public, State of Texas
My Comm. Exp. 3-15-97
Barbara B. Foster
Notary Public

WARRANTY DEED

THIS DEED, Made/ as of the 14TH day of NOVEMBER, 1994, between
RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

a corporation duly organized and existing under and by virtue of the laws of the State
of COLORADO, grantor, and
RICO PROPERTIES LIMITED LIABILITY COMPANY, A
COLORADO LIMITED LIABILITY COMPANY
whose legal address is P.O. BOX 220

doc fee = exempt

RICO, CO 81332
of the County of DOLORES and State of COLORADO, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of DOLORES and State of Colorado described as follows:

THAT PROPERTY DESCRIBED ON EXHIBIT WD-WEB-1, ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

as known by street and number as: RICO LOTS

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for itself, and its successors, does covenant, grant, bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensembling and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except THOSE OF RECORD

The grantor shall and will WARRANTY AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, The grantor has caused its corporate name to be hereunto subscribed by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above written.

Attest:

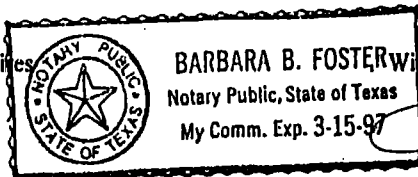
RICO DEVELOPMENT CORPORATION, A
COLORADO CORPORATION

By Wayne E. Webster
WAYNE E. WEBSTER, PRESIDENT

State of Texas,
County of Henderson ss.

The foregoing instrument was acknowledged before me this 9th day of NOVEMBER, 1994, by WAYNE E. WEBSTER AS PRESIDENT OF RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

My commission expires



BARBARA B. FOSTER
Notary Public, State of Texas
My Comm. Exp. 3-15-97

Barbara B. Foster
Notary Public

SCHEDULE A

PROPERTY DESCRIPTION

ORDER NO: 94100045

The following described property, all located within the Rico Townsite, County of Dolores, State of Colorado, according to the plat and other documents of record in the Office of the Clerk and Recorder of Dolores County:

| | |
|----------|--|
| Block 1 | Lots 17, 18, 19, and 20 |
| Block 2 | Lots 9, 10, 11 and 12 |
| Block 4 | Lots 39 and 40 |
| Block 9 | Lots 19, 20, 21, 22 and 23 |
| Block 10 | Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40 |
| Block 11 | Part of Lots 2, 3 and 4 Lots 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 Part of Lots 32, 33 and 34 |
| Block 12 | Lots 23, 24, 25 and 26 |
| Block 13 | Lots 12, 13, 14, 15 and 16 |
| Block 14 | Lots 21, 22, 23, 24, 25, 26, 27, 28, Lots 36, 37, 38, 39 and 40 |
| Block 15 | Lots 33 and 34 |
| Block 25 | Lots 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 35, 36, 37, 38 39 and 40 |
| Block 28 | Lots 3, 4 and the West 80' of Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 |
| Block 30 | Lots 3, 4, 5 and 6 |
| Block 38 | Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40 |

SCHEDULE A

PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

PROPERTY DESCRIPTION CONTINUED

Blöck 39 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
 13, 14, 15, 16, 17, 18, 19, 20, 28, 29,
 30, 31, 32, 33, 34, 35, 36, 37, 38, 39
 and 40

AND

Parcels 1 and 2, original ATLANTIC CABLE SUBDIVISION, according to the plat recorded in the office of the Clerk and Recorder in Book 238 at page 319,

AND

Tracts B, C and D as described in United States Patent for the Townsite of Rico, recorded December 15, 1891 in Book 17 at page 394 in the office of the Clerk and Recorder, EXCEPT all that part of Tract C Conveyed in Book 57 at page 374.

AND

A tract of land referred to as "Max Boehmer Tract" located within Townsite of Rico, more particularly described as follows: Beginning at Corner No. 1, identical with Corner 31 of the Townsite of Rico, whence an Aspen tree blazed and marked B.T. Corner 31 T.R. bears North 43 degrees 58 minutes East 45.6 feet distant; thence South 10 degrees West along West line of the Townsite of Rico 625 feet to Corner No. 2; thence North 51 degrees 20 minutes East 511 feet to Corner No. 3 on the West bank of Dolores River, general course, North 10 degrees 20 minutes East, 629 $\frac{3}{10}$ feet to Corner No. 4, being the same as Corner No. 32 of the Townsite of Rico, also Corner No. 4 of the Burchard Lode, whence a Cottonwood tree 18" in diameter blazed and marked B.T. Corner No. 32 T.R. bears South 82 degrees 45 minutes West 5 feet distant; thence South 51 degrees 20 minutes West 516.7 feet to Corner No. 1, the place of beginning,

AND

A tract of land referred to as "Rico Smelting Co. Tract" located within Townsite of Rico more particularly described as follows: Commencing at the Southeast Corner of tract conveyed to J.M. Acker by Mayor of Rico in Deed recorded in Book 10 at page 293; thence South 10 degrees West 270 feet; thence North 80 degrees West 400 feet; thence North 10 degrees East 270 feet; thence South 80 degrees East 400 feet to place of beginning,

AND

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

A tract of land located within Townsite of Rico bounded by the Winkfield Tract on the North, the Pasadena Reduction Company Tract and Rio Grande Southern Railroad Company right-of-way on the East, the A.E. Arms Tract on the South and the West boundary Second Amended Survey of Rico Townsite and Max Boehmer Tract on the West more particularly described as follows:

Beginning at a point on the West Boundary of Second Amended Survey Rico Townsite, which is also the Northwest Corner of Tract deeded to A.E. Arms March 13, 1902; thence North 10 degrees East 265 feet to a point on West line Second Amended Survey Rico Townsite which is also the Southwest Corner of Tract deeded to Max Boehmer October 10, 1892; thence North 51 degrees 20 minutes East 511 feet to a point which is also the Southeast Corner Max Boehmer tract; thence North 10 degrees 20 minutes East 629.3 feet to a point which is also Corner No. 32 Amended Survey Rico Townsite; thence North 18 degrees 40 minutes West 178.3 feet to a point on line 32-33 Second Amended Survey Rico Townsite which is also on the South boundary of Winkfield Tract (west of the Dolores River); thence South 80 degrees East 399.5 feet to a point which is also the Northwest corner of Tract deeded to Pasadena Reduction Company, July 15, 1884; thence South 40 degrees 04 minutes West 401.7 feet to a point which is also the West corner of Pasadena Reduction Company Tract; thence South 24 degrees 30 minutes East 350 feet to a point which is also the Southwest Corner Pasadena Reduction Co. tract; thence South 5 degrees 18 minutes West 801 feet to a point which is also the Northeast Corner A.E. Arms Tract; thence North 80 degrees West 717.8 feet to the place of beginning. Also described as "Pasadena Mill Property" and "North A.E. Arms Tract"

AND

A tract of land located in Southwest corner of Townsite of Rico bounded by F.G. Day Tract, West and South boundaries of Rico Townsite and Rio Grande Southern Railroad right-of-way more particularly described as follows:

Beginning at a point on line 30-31 of the Second Amended Survey of the Rico Townsite which bears South 10 degrees West 1370 feet from Corner No. 31 identical with Southwest corner of Tract deeded to F.G. Day et al as recorded in Book 33 at page 10 of the records of the Office of the County Clerk and Recorder of Dolores County, Colorado; thence South 10 degrees West 318.4 feet to a point which is also Corner No. 30 of said Survey of Rico Townsite; thence South 80 degrees East 724 feet to a point on line 29-30 of said survey of Rico Townsite; thence North 10 degrees East 318.4 feet; thence North 80 degrees West 717.8 feet (called 724 feet in Deed) to the place of beginning. Also described as "South A.E. Arms Tract".

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

AND

A tract of land referred to as "Graveyard Tract" located within the Townsite of Rico more particularly described as follows: Beginning at Corner No. 1 whence the corner common to Sections 35 and 36, Township 40 North, Range 11 West, and Sections 1 and 2, Township 39 North, Range 11 West, N.M.P.M., bears South 80 degrees 50 minutes East 225 feet distant and Corner No. 21 of Rico Townsite bears North 68 degrees 20 minutes East 1123.7 feet distant and Northeast Corner of Rico Graveyard bears South 20 degrees 57 minutes East 341.37 feet distant and Corner No. 3 of Little Ada Claim bears South 68 degrees 20 minutes West 59.54 feet distant; thence North 68 degrees 20 minutes West 608.56 feet along the southerly side line of the Little Ada Mining Claim to Corner No. 2, a point 668.1 feet North 68 degrees 20 minutes East from Corner No. 3 of Little Ada Claim whence Corner No. 2 of N. & M. Mining Claim and Corner No. 28 of Rico Townsite bears South 2 degrees 10 minutes West 99.50 feet distant and Northeast Corner of Rico Graveyard bears South 39 degrees 58 minutes West 716.22 feet distant; thence South 2 degrees 10 minutes West 99.50 feet to Corner No. 2 of the N. & M. Mining claim and Corner No. 28 of Rico Townsite; thence 793.86 feet to Corner No. 3 identical with Corner No. 29 of Rico Townsite; thence North 80 degrees West 466.10 feet to Corner No. 4 at intersection of south end line of Rico Townsite and East Side line of Rico Graveyard; thence North 10 degrees East 165.8 feet to Corner No. 5 identical with Northeast Corner of Rico Graveyard; thence North 80 degrees West 160 feet to Corner No. 6 identical with Northwest Corner of Rico Graveyard, whence Corner No. 3 of Little Ada Claim bears North 0 degrees 36 minutes West 275.02 feet distant; thence North 10 degrees East 301.53 feet to Corner No. 1, the place of beginning.

AND

A tract of land referred to as "Warner K. Patrick Tract" located within Townsite of Rico more particularly described as follows: Beginning at a point in line 1-2 of said Rico Townsite whence Corner No. 1 of said townsite bears North 10 degrees East 151.4 feet; thence South 10 degrees West 374.3 feet along said line 1-2 to a point; thence South 63 degrees 16 minutes West 404.1 feet to Corner No. 1 of Eighty-Eight (88) Lode; thence North 10 degrees East 374.3 feet to Corner No. 6 of Eighty-Eight (88) Lode; thence North 63 degrees 16 minutes East 404.1 feet to place of beginning. EXCEPT that portion conveyed in Book 253 at page 1.

AND

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

A tract of land referred to as "Group Tract" located within Townsite of Rico more particularly described as follows: Beginning at the Northeast Corner on line 16-17 in the Townsite of Rico; thence South 10 degrees West 676 feet to the Southeast corner which is also Corner No. 17 of Rico Townsite; thence West 1021.8 feet to the Southwest corner, a post in line 1-2 of the Pasadena Reduction Company Tract; thence North 1 degrees 52 minutes West 1052.6 feet to Northeast Corner of J.M. Acker or Winkfield Claim; thence North 4 degrees 3 minutes West 100 feet to the Northwest corner, a post, thence North 87 degrees 54 minutes East 153.8 feet to a post in the center of River Street; thence South 2 degrees 6 minutes East 350 feet along the center line of River Street to a post; thence South 87 degrees 54 minutes West 30 feet to a post on the west line of River Street; thence South 2 degrees 6 minutes East 600 feet along the West line of River Street to a post; thence North 87 degrees 54 minutes East 476 feet to the Southeast Corner of Block 38; thence North 2 degrees 6 minutes West 560 feet to the Southeast Corner of Lot 21, Block 10; thence North 87 degrees 54 minutes East 116 feet to the Southeast Corner of Block 10; thence North 2 degrees 6 minutes West 54 feet to a post; thence South 68 degrees 42 minutes East 486.1 feet to the place of beginning.

AND

A tract of land referred to as "Roys Tract" located within Townsite of Rico more particularly described as follows: Beginning at the Southeast corner of tract being conveyed whence the Southeast Corner of Block 27 is North 33 degrees 31 minutes 46 seconds East 213.8 feet and Northeast Corner of Tremble Tract is North 81 degrees 11 minutes West 18.4 feet; thence North 1 degrees 52 minutes West 918.7 feet to Northeast Corner (var. 12 degrees 42 minutes East); thence South 88 degrees 8 minutes West 628.6 feet to Northwest Corner (var. 13 degrees 55 minutes East); thence South 1 degrees 52 minutes East 222.5 feet to West angle corner (var. 13 degrees 15 minutes East); thence South 27 degrees 39 minutes East 705.8 feet to Southwest Corner; thence South 81 degrees 11 minutes East 327.3 feet to Southeast Corner, the place of beginning.

AND

A tract of land located within Townsite of Rico bounded as follows: On the North by the South line of Blocks 12 and 25 and the same line produced to a point 300 feet from, and on the West side of centerline of Rio Grande Southern Railroad as constructed; on the East by Mantz Avenue and Lots 1 to 14, inclusive, of Block 28; on the South by a parcel of land known as Roys Tract; and on

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

the West by a line drawn on the West side 300 feet from and parallel to the centerline of the Rio Grande Southern Railroad as constructed, EXCEPT all that portion conveyed in Deed recorded in Book 197 at page 351. Also described as R.G.S. North Tract. Tract A is included in this description.

AND

A tract of land located within Townsite of Rico bounded as follows:

On the North by a tract of land known as Roys Tract; on the East by a tract of land known as Tremble Tract; on the South by a tract of land known as Winkfield Tract; and on the West by a line drawn on the West side 100 feet from and parallel to centerline of Rio Grande Southern Railroad as constructed. Also described as R.G.S. Tract South.

AND

A tract of land located within Townsite of Rico described as follows:

A strip of land 50 feet wide on each side of center of wye of Rio Grande Southern Railroad as constructed and all land between the legs of said wye as constructed and extended through that part of Winkfield Tract West of a line 100 feet West of and parallel to the main tract of the Rio Grande Southern Railroad as constructed.

AND

The abandoned Rio Grande Southern Railroad Right-of-way extending through the Townsite of Rico.

AND

SCHEDULE A

PROPERTY DESCRIPTION

ORDER NO: 94100045

Pasadena Reduction Company Tract, as described in documents recorded in Book 66 at page 109, Book 57 at page 333, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

AND

Little Ada Tract North, as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

AND

Little Ada Tract South, as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

AND

A tract of land referred to as "F.G. Day Tract" located within Townsite of Rico more particularly described as follows: Beginning at a point on line 30-31 of the 2nd amended Survey of the Town of Rico at South 10 degrees West 1130 feet from Corner No. 31; thence South 10 degrees West 240 feet to a point; thence South 80 degrees East 717.8 feet to the West line of the Rio Grande Southern Railroad right-of-way; thence North 8 degrees 30 minutes East 240.1 feet to a point; thence North 80 degrees West 724 feet to the place of beginning.

AND

A tract of land referred to as "Tremble Tract" located within Townsite of Rico more particularly described as follows: Beginning at Southeast Corner of Block 27 (var. 13 degrees 45 minutes East), whence Northeast Corner of same is North 1 degree 55 minutes West; thence South 37 degrees 50 minutes 37 seconds West 222.2 feet to Northeast Corner of tract being conveyed; thence South 4 degrees 3 minutes East 688 feet to Southeast Corner; thence North 81 degrees 11 minutes West 253 feet to Southwest Corner; thence North 4 degrees 3 minutes West 688 feet to Northwest Corner; thence South 81 degrees 11 minutes East 253 feet to Northeast Corner, the place of beginning.

AND

A tract of land referred to as "Winkfield Tract East of River" located within Townsite of Rico more particularly described as

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

PROPERTY DESCRIPTION CONTINUED

follows: Beginning at the Northeast Corner whence the Southeast Corner of Block 27 bears North 5 degrees 49 minutes East 866 feet; thence North 88 degrees 11 minutes West 253 feet to Corner No. 2; thence North 27 degrees 17 minutes West 481 feet to Corner No. 3; thence South 22 degrees 12 minutes East 462.1 feet to Corner No. 4; thence South 5 degrees East 200 feet to Corner No. 5; thence South 49 degrees 10 minutes West 451 feet to Corner No. 6; thence South 80 degrees East 652 feet to Corner No. 7; thence North 1 degree 52 minutes West 600 feet to Corner No. 1, the place of beginning, all lying East of the Dolores River.

THE FOLLOWING NAMED PATENTED LODGE, PLACER AND MILLSITE MINING CLAIMS LOCATED IN THE RICO MINING DISTRICT (ALSO KNOWN AS THE PIONEER MINING DISTRICT), DOLORES COUNTY, STATE OF COLORADO, THE UNITED STATES PATENT NUMBERS AND THE UNITED STATES MINERAL SURVEY NUMBERS OF WHICH ARE, AND THE PATENT OF WHICH IS FILED IN THE REAL PROPERTY RECORDS OF THE CLERK AND COUNTY RECORDER OF DOLORES COUNTY, COLORADO, AS FOLLOWS:

| CLAIM NAME | PATENT NO. | MINERAL SURVEY NO. |
|---------------------|------------|--------------------|
| BED ROCK | 28253 | 8030 |
| CHESTNUT | 6588 | 435 |
| COLUMBIA MILLSITE | 10202 | 365B |
| ELLIOTT MILLSITE | 9764 | 1536B |
| EVENING CALL | 29041 | 8029 |
| FRANKLIN | 7366 | 564 |
| GOLDEN FLEECE | 14294 | 2261 |
| HILLSIDE | 23559 | 7994 |
| HILLSIDE NO 2 | 23559 | 7994 |
| ISABELLE | 12321 | 2039 |
| LUCY | 12933 | 1456 |
| NEW YEAR | 15070 | 1538 |
| TELEGRAPH | 7457 | 780 |
| W. L. STEPHENS | 22919 | 7017 |
| A.B.G. | 20385 | 6726 |
| AETNA | 11399 | 1956 |
| AETNA | 21734 | 6796 |
| IMP | 21734 | 6796 |
| SAW TOOTH | 21734 | 6796 |
| UTE | 21734 | 6796 |
| ALTA (75% INTEREST) | 19105 | 6191 |

SCHEDULE A

PROPERTY DESCRIPTION

ORDER NO: 94100045

| | | |
|----------------|-------|--------|
| APEX | 29042 | 11583A |
| CASHIER | 37834 | 15233 |
| WORLDS FAIR | 37834 | 15233 |
| ASPEN | 26020 | 6512 |
| LAST CHANCE | 26020 | 6512 |
| ATLANTIC CABLE | 8072 | 1136 |

EXCEPT all that part platted into Atlantic Cable Subdivision and a portion of Lots 9, 28, 31 and 32, Block 20, Town of Rico, and that portion conveyed in Book 57 at page 325.

| | | |
|-----------------|-------|-------|
| AVALANCHE | 10488 | 1682 |
| AZTEC MILL SITE | 10201 | 367B |
| BALD EAGLE | 28874 | 10122 |
| CALEDONIA | 28874 | 10122 |
| LITTLE JOHNNY | 28874 | 10122 |
| BELL | 28159 | 5911 |
| BIG BLUE | 23558 | 7365 |
| BARNUM | 23558 | 7365 |
| BIG STRIKE | 23428 | 7601 |
| DENVER | 23428 | 7601 |
| INDEPENDENT | 23428 | 7601 |
| BLACK CHIEF | 10485 | 1649 |
| BLACK CLOUD | 24538 | 8098 |
| PEWTER DOLLAR | 24538 | 8098 |
| BLACK GEORGE | 14477 | 2485 |
| BLACK NIGHT | 26510 | 8135 |
| BRITTLE SILVER | 36682 | 7458 |
| BUCKEYE & MAC | 24156 | 7894 |

Described as: Beginning at Corner No. 1 of the Buckeye Lode, which corner is common with Corner No. 1 of the Mac Lode, whence the West Quarter Corner of Section 23, Township 40 North, Range 11 West, N.M.P.M., bears North 54 degrees 48 minutes West 1784.2 feet; thence North 45 degrees East 300.0 feet to Corner No. 2 of the Buckeye Lode; thence South 45 degrees East 248.58 feet to the 1/6 Southeast corner of the Buckeye Lode; thence South 45 degrees West 300.00 feet to the Southwest Corner of the Buckeye Lode, which corner is common with the 1/6 Southeast Corner of the Mac Lode; thence South 45 degrees West 300.0 feet to the 1/6 Southwest Corner of the Mac Lode; thence North 45 degrees West 248.58 feet to Corner No. 4 of the Mac Lode; thence North 45 degrees East 300.0 feet to Corner No. 1 of the Mac Lode, the point of beginning.

| | | |
|-------------------------|---------|-------|
| BUEHLER | 1178832 | 20738 |
| BULLION | 23279 | 7599 |
| BURCHARD | 27326 | 8070 |
| HARDSCRABBLE | 27326 | 8070 |
| LITTLE MAGGIE | 27326 | 8070 |
| C.H.C. (15/16 INTEREST) | 9213 | 1040 |
| C.S.H.H. | 19757 | 6286 |

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

PROPERTY DESCRIPTION CONTINUED

| | | |
|------------------------|---------|-------|
| C.V.G. | 20386 | 6725 |
| CASELTON | 1179249 | 20740 |
| C.H.R. | 1179249 | 20740 |
| SLIDE | 1179249 | 20740 |
| LITTLE JACK HORNER | 1179249 | 20740 |
| SLIDE TOP | 1179249 | 20740 |
| TIMBERLINE | 1179249 | 20740 |
| TOM THUMB | 1179249 | 20740 |
| CATALPA (1/2 INTEREST) | 8071 | 918 |
| CATSKILL | 21923 | 7062 |
| CEREBUS | 646888 | 19665 |
| X-RAY | 646888 | 19665 |
| LITTLE CASPER | 646888 | 19665 |
| GOLIATH | 646888 | 19665 |
| CLAN CAMPBELL | 16318 | 1807 |
| COBBLER | 17663 | 5274 |
| CONFIDENCE | 9722 | 1447 |
| CONNECTING LINK | 22442 | 7310 |
| CONTACT | 20780 | 6895 |
| CONFIDENCE | 20780 | 6895 |
| CORNUCOPIA | 32435 | 11667 |
| CREBEC | 18911 | 6130 |
| CROSS | 7927 | 940 |
| D. AND B. B. | 25142 | 8539 |
| DAYTON | 23427 | 2540 |
| DAYTON NO. 2 | 33881 | 11636 |
| DUDE | 22064 | 7049 |
| DUDESS | 22064 | 7049 |
| DURANGO | 9254 | 1441 |
| EIGHTY-EIGHT (88) | 22232 | 7348 |

EXCEPT all that part included in the tract known as
Warren K. Patrick Tract lying within the Townsite
of Rico and that part conveyed in Book 253 at page 1.

| | | |
|------------------------|-------|-------|
| ELLA D. | 19106 | 5659 |
| ELLIOTT | 9764 | 1536A |
| ENTERPRISE | 28422 | 5916 |
| ETHELENA (245/256 INT) | 18765 | 6136 |
| EUREKA | 11817 | 1880 |
| EUREKA | 28924 | 6285 |
| EVENING STAR | 26956 | 7565 |
| CONTENTION NO. 2 | 26956 | 7565 |
| EXCELSIOR | 26905 | 8141 |
| EXCELSIOR NO. 2 | 26905 | 8141 |
| EXCELSIOR | 9668 | 1451A |
| EXCELSIOR MILLSITE | 9668 | 1451B |
| EXCHEQUER | 17909 | 5132 |
| PREMIER | 17909 | 5132 |
| BOURBON | 17909 | 5132 |

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

| | | |
|-------------------------|---------|--------|
| FALCON | 12270 | 2151 |
| FLORENCE | 9667 | 1452A |
| FLORENCE MILLSITE | 9667 | 1452B |
| FRACTION | 30807 | 11814 |
| GEM OF BEAUTY | 9663 | 1164 |
| GEN. O. O. HOWARD | 16680 | 2478 |
| GENERAL LOGAN | 16416 | 2476 |
| GENERAL SHERIDAN | 14426 | 2479 |
| GENERAL SHERMAN | 16417 | 2477 |
| GERTIE | 9508 | 781 |
| GIPSY | 14476 | 2499 |
| GOLDEN AGE | 34279 | 5956 |
| GRAND VIEW | 6761 | 383 |
| GROUP MILLSITE | 29042 | 11583B |
| H.B. (2/3 INTEREST) | 22008 | 7013 |
| E.R.G. (2/3 INTEREST) | 22008 | 7013 |
| H.C.P. | 23635 | 7548 |
| HALF LOAF | 28486 | 8017 |
| HIGHLAND CHIEF | 28486 | 8017 |
| LOWLAND CHIEF | 28486 | 8017 |
| LITTLE LULU | 28486 | 8017 |
| LITTLE GEORGE | 28486 | 8017 |
| SHEHOCTON | 28486 | 8017 |
| NANCY HANKS | 28486 | 8017 |
| LITTLE GEORGE EXTENSION | 28486 | 8017 |
| G.L.P. | 28486 | 8017 |
| HAL POINTER | 28486 | 8017 |
| HARVEY | 9129 | 914 |
| HELEN C. | 29929 | 7977 |
| HIAWATHA | 28323 | 6393 |
| HOMESTAKE & LITTLE CORA | | |
| CONSOLIDATED PLACER | 14903 | 410 |
| West of Dolores River | | |
| HONDURAS | 24157 | 7843 |
| HOPE | 7929 | 939 |
| INGERSOLL | 11224 | 413 |
| IRON CAP | 14897 | 1428 |
| IRON ROD | 26509 | 8140 |
| KEARNEY | 17744 | 5133 |
| KITCHEN | 28322 | 5917 |
| LAST CHANCE | 1060874 | 20388 |
| LAST CHANCE | 27745 | 8622 |
| LAURA | 21317 | 5913 |
| LEAP YEAR | 18985 | 6105 |
| LELIA DAVIS | 9765 | 1256 |
| LITTLE BERNARD | 20177 | 6406 |
| LITTLE CARRIE | 35680 | 6960 |
| LONE TREE | 29858 | 12303 |
| LOOKOUT | 10462 | 1683 |

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

| | | |
|------------------------|---------|-------|
| LOTA | 19252 | 6154 |
| LOTTIE | 26323 | 8223 |
| MAID OF AUSTRALIA | 14553 | 1587 |
| MAJOR | 6494 | 384 |
| MAMMOTH | 1107369 | 20500 |
| MARIQUITA | 9666 | 1450 |
| MARY | 19532 | 6205 |
| MATCHLESS | 21733 | 6739 |
| MC INTIRE | 29857 | 12302 |
| MELVINA | 3551 | 620 |
| MERRIMAC | 8170 | 926 |
| MERVIN | 1115034 | 20619 |
| MARTHA | 1115034 | 20619 |
| MILAN | 9665 | 1449 |
| MILLIE | 36498 | 7988 |
| MOUNTAIN BOY | 1062424 | 20387 |
| MONARCH | 1062424 | 20387 |
| MOUNTAIN MONARCH | 10013 | 1454 |
| N.A. COWDREY | 20180 | 6317 |
| NEW DISCOVERY | 10483 | 1461A |
| NEW DISCOVERY MILLSITE | 10483 | 1461B |
| NEWMAN | 14757 | 436A |
| NIGHT WATCH | 23277 | 5976 |
| NORA LILLEY | 12559 | 1010 |
| ONTARIO | 19246 | 5923 |
| PAYMASTER | 8253 | 997 |
| PELICAN | 6702 | 363 |
| PERU | 9664 | 1455 |
| PHOENIX | 6701 | 362 |
| PIGEON | 7541 | 665 |
| PITTSBURGH | 7928 | 941 |
| PLUTO | 21101 | 6985 |
| PRINCETON (63/64 INT) | 19530 | 2258 |
| REDEEMER | 30264 | 12304 |
| RICHMOND | 19395 | 6338 |
| ROBBER STATE | 10126 | 1464 |
| ROGER TICHBORNE | 23828 | 7784 |
| S.M.G. | 29831 | 7986 |
| SAM PATCH | 25545 | 8031 |
| HOME | 25545 | 8031 |
| SANTA CLARA | 7519 | 664 |
| SANTA CRUZ (WEST 1/2) | 25864 | 6132 |
| SELENIDE | 36681 | 7459 |
| SHAMROCK | 20389 | 5832 |
| SILVER AGE | 40574 | 5831 |
| SILVER BELT | 27914 | 8020 |
| ROYAL TURK | 27914 | 8020 |
| SILVER CACHE | 11225 | 1655 |
| SILVER GLANCE | 29519 | 6201 |

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94100045

| | | |
|---------------------|-------|------|
| SILVER GLANCE NO. 2 | 29519 | 6201 |
| SILVER GLANCE NO. 4 | 28485 | 7976 |
| SKEPTICAL NO. 1 | 14292 | 1900 |
| SMUGGLER | 18913 | 5912 |

EXCEPT all that portion described as Lots 10 to 24 inclusive, and Lots 26 to 28, inclusive, of Block 18; Lots 11 to 12, inclusive, and Lots 30 to 31, inclusive, of Block 19; Lots 21 to 22, inclusive, and a portion of Lots 28, 31 and 32 of Block 20, Town of Rico.

| | | |
|-------------------------|---------|-------|
| SNOW FLAKE | 19248 | 6216 |
| SNOWFLAKE | 25700 | 5909 |
| SONG BIRD | 28294 | 6392 |
| SOUTH PARK (1/12 INT) | 23203 | 1563 |
| STANLEY NO. 1 (2/3 INT) | 19393 | 6095 |
| STANLEY NO. 3 (2/3 INT) | 19393 | 6095 |
| STANLEY NO. 2 (5/6 INT) | 19393 | 6095 |
| STAR | 19756 | 6199 |
| STAR ROUTE | 19104 | 5970 |
| STEPHANITE | 37553 | 7980 |
| STONY POINT | 16727 | 1489 |
| SUN UP | 18912 | 5910 |
| SWANSEA | 6580 | 434 |
| SYNDICATE | 17739 | 2185A |
| THOMPSON | 29115 | 6394 |
| TIP TOP | 9424 | 1248 |
| TRAILS END | 1111727 | 20568 |
| DEVIDE | 1111727 | 20568 |
| TRIANGLE | 1111575 | 20347 |
| TRIANGLE | 1178833 | 20739 |
| UNCLE NED | 7747 | 915 |
| UNDINE | 8132 | 1090 |
| VESTAL | 19531 | 6252 |
| WABASH | 7492 | 617 |
| WEIMAR | 20178 | 6513 |
| YANKY BOY | 21107 | 6969 |
| YELLOW JACKET | 6703 | 364 |
| ZONA K. | 26370 | 8228 |
| ZULU | 9723 | 1457 |

DEED OF TRUST

THIS INDENTURE, Made / ^{as of the} 14TH day of NOVEMBER , 1994 , between
RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO
LIMITED LIABILITY COMPANY
whose address is P.O. BOX 220
RICO, CO 81332

hereinafter referred to as grantor, and the Public Trustee of the
DOLORES , State of Colorado, hereinafter referred to as Public Trustee,

**WITNESSETH, THAT, WHEREAS, RICO PROPERTIES LIMITED LIABILITY COMPANY, A
COLORADO LIMITED LIABILITY COMPANY**

has executed a promissory note or notes, hereinafter referred to in the singular, dated April 01, 1994 , for the
principal sum of ONE MILLION FOUR HUNDRED NINETY-NINE THOUSAND NINE HUNDRED AND
00/100 *** (\$1,499,900.00) *** (PLEASE SEE ATTACHED EXHIBIT DT-RIC-3)
Dollars, payable to the order of RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

whose address is P.O. BOX 130
RICO, CO 81332

after the date hereof, with interest thereon from the date thereof

at the rate of 8.00 percent per annum, payable PURSUANT TO THE TERMS AND
CONDITIONS OF THE PROMISSORY NOTE

AND WHEREAS, The grantor is desirous of securing payment of the principal and interest of said promissory note in whose hands soever the
said note or any of them may be.

NOW, THEREFORE, The grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey
unto the said Public Trustee in trust forever, the following described property, situate in the County of
DOLORES , State of Colorado, to wit:
THAT PROPERTY DESCRIBED ON EXHIBIT DT-RIC-2, ATTACHED HERETO

EXHIBITS DT-RIC-1, DT-RIC-2 AND DT-RIC-3 ATTACHED HERETO, ARE
INCORPORATED HEREIN BY THIS REFERENCE.

also known by street and number as:

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in
case of default in the payment of said note or any of them, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of
said note or any of them, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or
breach of any of the terms, conditions, covenants or agreements herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured
hereby may declare a violation of any of the covenants herein contained and elect to advertise said property for sale and demand such sale, then, upon filing
notice of such election and demand for sale with the Public Trustee, who shall upon receipt of such notice of election and demand for sale cause a copy of the
same to be recorded in the recorder's office of the county in which said real estate is situated, it shall and may be lawful for the Public Trustee to sell and dispose
of the same (en masse or in separate parcels, as the said Public Trustee may think best), and all the right, title and interest of the grantor, his heirs or
assigns therein, at public auction at the front door of the Court House, in the County of DOLORES
, State of Colorado, or on said premises, or any part thereof as may be specified in the notice of said sale, for the highest and best price the same
will bring in cash, four weeks public notice having been previously given of the time and place of such sale, by advertisement, weekly, in some newspaper
of general circulation at the time published in said County of DOLORES , a copy of which notice shall be mailed within ten days from the
date of the first publication thereof to the grantor at the address herein given and to such person or persons appearing to have acquired a subsequent record
interest in said real estate at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be
mailed to the county seat, and to make and give to the purchaser or purchasers of such property at such sale, a certificate or certificates in writing describing
such property purchased, and the sum or sums paid therefor, and the time when the purchaser or purchasers (or other person entitled thereto) shall be entitled to
a deed or deeds therefor, unless the same shall be redeemed as is provided by law; and said Public Trustee shall, upon demand by the person or persons holding
the said certificate or certificates of purchase, when said demand is made, or upon demand by the person entitled to the deed and for the property purchased,
at the time such demand is made, the time for redemption having expired, make and execute to such person or persons a deed or deeds at the time property
purchased, which said deed or deeds shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said Public Trustee
and shall convey and quitclaim to such person or persons entitled to such deed, the said property purchased as aforesaid and all the right, title, interest benefit
and equity of redemption of the grantor, his heirs and assigns therein, and shall recite the sum or sums for which the said property was sold and shall refer to
the power of sale therein contained, and to the sale or sales made by virtue thereof; and in case of an assignment of such certificate or certificates of
purchase, or in case of the redemption of such property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such
deed or deeds; but the notice of sale need not be set out in such deed or deeds and the Public Trustee shall, out of the proceeds or avails of such sale, after
first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder or the legal holder of said note the principal and
interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes
and assessments, with interest thereon at 18.00 per cent per annum, rendering the overplus, if any, unto the grantor, his legal representatives or assigns;
which sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against the grantor, his heirs and assigns, and all other
persons claiming the said property, or any part thereof, by, from, through or under the grantor, or any of them. The holder or holders of said note or notes
may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser or purchasers at any such sale to see to the application of
the purchase money. If a release deed be required, it is agreed that the the grantor, his heirs or assigns, will pay the expense thereof.

And the grantor, for himself, his heirs, personal representatives or assigns covenants and agrees to and with the Public Trustee, that at the time of the enrolling of the delivery of these presents he is well seized of the said land and tenements in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements, and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever, except
THOSE OF RECORD

and the above bargained property in the quiet and peaceable possession of the Public Trustee, his successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the grantor shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of 18.00 % per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the grantor. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

If all or any part of the property or an interest therein is sold or transferred by the grantor without beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, beneficiary may, at beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, beneficiary and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to beneficiary and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as beneficiary shall request.

AND THAT IN CASE OF ANY DEFAULT, Whereby the right of foreclosure occurs hereunder, the Public Trustee or the holder of said note or certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be; and such possession shall at once be delivered to the Public Trustee or the holder of said note or certificate of purchase on request, and on refusal, the delivery of such possession may be enforced by the Public Trustee or the holder of said note or certificate of purchase by any appropriate civil suit or proceeding, and the Public Trustee, or the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the grantor of the then owner of said property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice -- notice being hereby expressly waived -- and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

AND, That in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note aforesaid, or any of them, or any part thereof, or of a breach or violation of any of the covenants or agreement herein, by the grantor, his personal representatives or assigns, then and in that case the whole of said principal sum hereby secured, and the interest thereon to the time of the sale, may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the Public Trustee, and attorney's fee of the sum of A REASONABLE AMOUNT OF dollars for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as part of the cost of such foreclosures proceedings.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed this 10th day of November 1994.

RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

BY: [Signature]

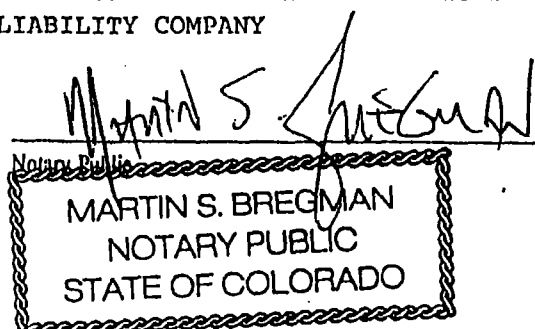
State of Colorado)
County of San Miguel) s.s.

The foregoing instrument was acknowledged before me the 10th day of NOVEMBER, 1994, by BY: AS MANAGER OF RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

Witness my hand and official seal.

My commission expires:

2/13/95



Earlene White Recorder, Dolores **WARRANTY DEED**
CM deputy

doc fee = exempt

THIS DEED, Made this 14TH day of NOVEMBER, 1994, between RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY of the County of DOLORES and State of COLORADO, grantor, and RICO RENAISSANCE LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY whose legal address is P.O. BOX 725, TELLURIDE, CO 81435 of the County of SAN MIGUEL and State of COLORADO, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of DOLORES and State of Colorado described as follows:

THAT PROPERTY DESCRIBED ON EXHIBIT WD-RIC-RRLLC-1, ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

as known by street and number as: TRACTS IN RICO

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except

THOSE OF RECORD

SUBJECT TO the debt of Rico Properties Limited Liability Company owing to Rico Development Corporation as evidenced by that certain Promissory Note April 1, 1994 and secured by that Deed of Trust, dated as of November 14, 1994.

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor has executed this deed on the date set forth above.

RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

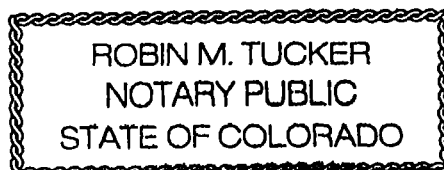
Stanley A. Foster
BY: *Stanley A. Foster*
AS: MANAGER

STATE OF Colorado)
) s.s.
COUNTY OF San Miguel

The foregoing instrument was acknowledged before me this 7th day of November, 1994 by Stanley A. Foster AS MANAGER OF RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY

Witness my hand and official seal.
My Commission expires: 06/26/96

[Signature]
Notary Public



THE LIEN OF THIS DEED OF TRUST SHALL BE RELEASED AS TO EACH OF THE LOTS AND TRACT LISTED ON EXHIBIT DT-RIC-2 UPON PAYMENT OF THE RELEASE CONSIDERATION SPECIFIED THEREFOR BELOW; AND UPON PAYMENT OF THE ENTIRE OUTSTANDING BALANCE (PRINCIPAL AND INTEREST) THE LIEN OF THIS DEED OF TRUST SHALL BE FULLY AND COMPLETELY RELEASED, SATISFIED AND DISCHARGED.

THE RELEASE CONSIDERATION FOR EACH LOT IN BLOCKS 10, 38 AND 39 (THE R-2 ZONED LOTS) SHALL BE \$10,000.00.

THE RELEASE CONSIDERATION FOR EACH OF THE REMAINING LOTS AND PARCEL LISTED ON EXHIBIT DT-RIC-2 SHALL BE \$20,000.00.

AGREED AND ACCEPTED THIS 14TH DAY OF NOVEMBER, 1994

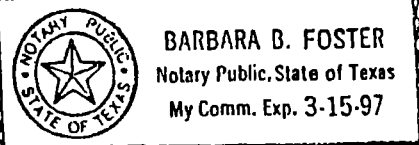
RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

BY: Wayne E. Webster
WAYNE E. WEBSTER, PRESIDENT

STATE OF)
COUNTY OF) s.s.

The foregoing instrument was acknowledged before me this 9th day of NOVEMBER, 1994 by WAYNE E. WEBSTER AS PRESIDENT OF RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

Witness my hand and official seal
My Commission expires:



Barbara B. Foster
Notary Public

AS OF NOVEMBER 9, 1994, THE OUTSTANDING BALANCE, INCLUDING PRINCIPAL AND INTEREST, ON THE DEBT EVIDENCED BY THE PROMISSORY NOTE SECURED BY THIS DEED OF TRUST IS ONE MILLION THREE HUNDRED SEVENTY-TWO THOUSAND FORTY-SIX AND 03/100 DOLLARS

(\$1,372,046.03). UPON THE RECEIPT BY RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION OF AN ADDITIONAL SIX HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS ***(\$660,000.00)***, ON OR BEFORE THE EFFECTIVE DATE OF THE DEED OF TRUST, THE OUTSTANDING BALANCE (INCLUDING PRINCIPAL AND INTEREST) SHALL BE REDUCED BY \$660,000.00.

tmt 94100045x/38

EXHIBIT WD-RIC-RRLLC-1

The following described property, all located within the Rico
Townsite, County of Dolores, State of Colorado, according to the
plat and other documents of record in the Office of the Clerk
and Recorder of Dolores County:

Block 10 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
 13, 14, 15, 16, 17, 18, 19, 20, 21, 22,
 23, 24, 25, 26, 27, 28, 29, 30, 31, 32,
 33, 34, 35, 36, 37, 38, 39 and 40

Block 38 Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,
 31, 32, 33, 34, 35, 36, 37, 38, 39 and
 40

Block 39 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
 13, 14, 15, 16, 17, 18, 19, 20, 28, 29,
 30, 31, 32, 33, 34, 35, 36, 37, 38, 39
 and 40

County of Dolores,
State of Colorado.

Recorded at 2:00 o'clock P.M. Nov 29/1994

Reception No. 134572 Book 266 Page 466-467

Earlene White Recorder, Dolores Co., Colorado

doc fee = exempt

WARRANTY DEED

THIS DEED, Made this 14TH day of NOVEMBER, 1994, between RICO PROPERTIES LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY of the County of DOLORES and State of COLORADO, grantor, and RICO RENAISSANCE LIMITED LIABILITY COMPANY, A COLORADO LIMITED LIABILITY COMPANY whose legal address is P.O. BOX 725, TELLURIDE, CO 81435 of the County of SAN MIGUEL and State of COLORADO, grantee:

WITNESSETH, That the grantor for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATIONS DOLLARS, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of DOLORES and State of Colorado described as follows:

THAT PROPERTY DESCRIBED ON EXHIBIT WD-LLC-1, ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

as known by street and number as: TRACTS IN RICO

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, except

THOSE OF RECORD

The grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the grantor above.

RICO PROPERTIES LIMITED LIABILITY COMPANY

BY: Stanley A. Hester
AS: MANAGER

STATE OF

COUNTY OF

Telluride Mountain Title
(For Photographic Record)

ALL OF THE FOLLOWING PROPERTY AS AND TO EXTENT SUCH PROPERTY LIES EAST OF HIGHWAY 145:

A tract of land referred to as "Rico Smelting Co. Tract" located within Townsite of Rico more particularly described as follows: Commencing at the Southeast Corner of tract conveyed to J.M. Acker by Mayor of Rico in Deed recorded in Book 10 at page 293; thence South 10 degrees West 270 feet; thence North 80 degrees West 400 feet; thence North 10 degrees East 270 feet; thence South 80 degrees East 400 feet to place of beginning,

AND

ALL OF THE FOLLOWING PROPERTY AS AND TO EXTENT SUCH PROPERTY LIES EAST OF HIGHWAY 145:

Pasadena Reduction Company Tract, as described in documents recorded in Book 66 at page 109, Book 57 at page 333, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

AND

ALL OF THE FOLLOWING PROPERTY AS AND TO EXTENT SUCH PROPERTY LIES EAST OF HIGHWAY 145:

A tract of land referred to as "Winkfield Tract East of River" located within Townsite of Rico more particularly described as follows: Beginning at the Northeast Corner whence the Southeast Corner of Block 27 bears North 5 degrees 49 minutes East 866 feet; thence North 88 degrees 11 minutes West 253 feet to Corner No. 2; thence North 27 degrees 17 minutes West 481 feet to Corner No. 3; thence South 22 degrees 12 minutes East 462.1 feet to Corner No. 4; thence South 5 degrees East 200 feet to Corner No. 5; thence South 49 degrees 10 minutes West 451 feet to Corner No. 6; thence South 80 degrees East 652 feet to Corner No. 7; thence North 1 degree 52 minutes West 600 feet to Corner No. 1, the place of beginning, all lying East of the Dolores River.

County of Dolores,
State of Colorado.

PROMISSORY NOTE

APRIL 1, 1994

On or before March 31, 1999, RICO PROPERTIES LIMITED LIABILITY COMPANY, a Colorado Limited Liability Company, promises to pay to the order of RICO DEVELOPMENT CORPORATION, A Colorado Corporation, c/o Telluride Mountain Title, Colorado, the sum of One Million Four Hundred Ninety-nine Thousand Nine Hundred and no/100 Dollars (\$1,499,900.00), payable in quarterly installments of interest only commencing on or before July 1, 1994 and continuing on a like day of each and every quarter thereafter until paid in full. Interest shall be at the rate of eight percent (8%) per annum, which interest shall commence to accrue on April 1, 1994. The failure of Maker to make all payments hereunder in a timely manner shall void the option.

Maker reserves the right to prepay any or all of the unpaid balance any time without penalty.

The failure to pay any installment when due shall cause the entire unpaid balance of this note to become immediately due and payable at the election of the holder hereof. Presentment for payment and notice of non-payment are each hereby expressly and payment and notice of non-payment are each hereby expressly and severally waived by the maker, or makers, and all endorser hereof; and in case payment of this note shall not be made at maturity, it is agreed by said parties that all costs of collection, including a reasonable attorney's fee, will be paid in addition and may be recovered as part hereof.

All payments of principal made hereunder for release of property or properties set forth on Exhibit "A", attached hereto and incorporated herein by reference, shall be applied to reduce the principal balance of the Promissory Note. THIS IS A NON-RECOURSE PROMISSORY NOTE.

Address: P.O. Box 220
RICO, CO 81332

RICO PROPERTIES LIMITED LIABILITY
COMPANY, A Colorado Limited
Liability Company

BY: [Signature] Manager

PROMISSORY NOTE

April 1, 1994

On or before March 31, 1999, RICO PROPERTIES LIMITED LIABILITY COMPANY, a Colorado Limited Liability Company, promises to pay to the order of RICO DEVELOPMENT CORPORATION, a Colorado Corporation, c/o Telluride Mountain Title, Telluride, Colorado, the sum of One Million Four Hundred Ninety-nine Thousand Nine Hundred and no/100 Dollars (\$1,499,900.00), payable in quarterly installments of interest only commencing on or before July 1, 1994 and continuing on a like day of each and every quarter thereafter until paid in full. Interest shall be at the rate of eight percent (8%) per annum, which interest shall commence to accrue on April 1, 1994. *AS OF* The failure of Maker to make all payments hereunder in a timely manner shall void the option.

11-5-94 Maker reserves the right to prepay any or all of the unpaid balance any time without penalty. *TO BE REPLACED BY XIEW NOTE + TRUST DEED.*

Wayne Weir
P/R RICO DEVELOPMENT CORP.
The failure to pay any installment when due shall cause the entire unpaid balance of this note to become immediately due and payable at the election of the holder hereof. Presentment for payment and notice of non payment are each hereby expressly and severally waived by the maker, or makers, and all endorser hereof; and in case payment of this note shall not be made at maturity, it is agreed by said parties that all costs of collection, including a reasonable attorney's fee, will be paid in addition and may be recovered as part hereof.


All payments of principal made hereunder for release of property or properties set forth on Exhibit "A", attached hereto

and incorporated herein by reference, shall be applied to reduce the principal balance of the Promissory Note.

THIS IS A NON-RECOURSE PROMISSORY NOTE.

RICO PROPERTIES LIMITED LIABILITY
COMPANY, a Colorado Limited
Liability Company

BY:

_____

Address:

PO Box 220
RICO, COLORADO 81332

CLOSING BINDER

RESTRUCTURING OF

RICO PROPERTIES LLC

INTO

RICO RENAISSANCE LLC
and

RICO PROPERTIES LLC

November 11, 1994

AMENDMENT TO RICO
PROPERTIES LLC OPERATING
AGREEMENT ALLOWING THE
RESTRUCTURING TO PROCEED

1st AMENDMENT
AMENDED AND RESTATED

OPERATING AGREEMENT
FOR
RICO PROPERTIES LIMITED LIABILITY COMPANY

WHEREAS, the members desire to amend Article VII, Section 7.1(b) of the Operating Agreement in accordance with Article X, thereof,

NOW THEREFORE, the parties agree, as follows:

Effective as of November 3, 1994, the first sentence of Section 7.1(b) is hereby amended to read, as follows:

"Notwithstanding any other provisions of this Agreement, no sale or exchange of any Membership Interest may be made (i) if the Membership Interest sought to be sold or exchanged, when added to the total of all other membership interests sold or exchanged within the period of twelve (12) consecutive months prior to the proposed date of sale or exchange, would result in the termination of the company under Section 708 of the Internal Revenue Code of 1986, as amended (or any successor statute), or (ii) if any such sale, transfer, assignment or other disposition would cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, unless, in either instance, approved by unanimous vote of all the Members."

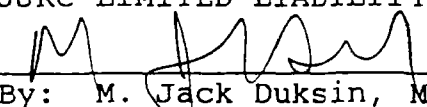
IN WITNESS WHEREOF, the members have signed this First Amendment to be effective as of the date first written above.

MEMBERS:



RICHARD M. THIELE

JJRC LIMITED LIABILITY COMPANY



By: M. Jack Duksin, Manager

BAK LTD.

By: Bill Baird, Manager

SILVER CREEK LAND COMPANY, L.L.C.

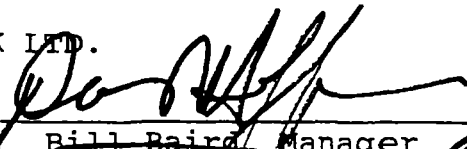
By: Michael Hines

Stanley A Foster
STANLEY/FOSTER

TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Manager

BAK LTD.


By: Bill Baird, Manager *Anthony J. Gunt*

SILVER CREEK LAND COMPANY, L.L.C.

By: Michael Hines



STANLEY FOSTER

TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Manager

BAK LTD.


By: Bill Baird, Manager

SILVER CREEK LAND COMPANY, L.L.C.

By: Michael Hines

STANLEY FOSTER


TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Manager

BAK LTD.

By: Bill Baird, Manager

SILVER CREEK LAND COMPANY, L.L.C.



By: Michael Hines

STANLEY FOSTER

TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Manager

BAK LTD.

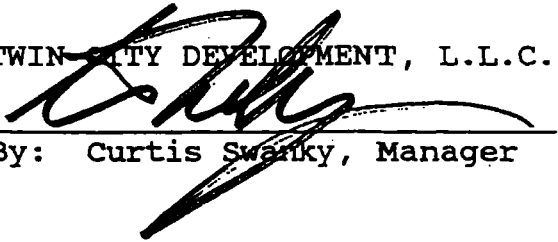
By: Bill Baird, Manager

SILVER CREEK LAND COMPANY, L.L.C.

By: Michael Hines

STANLEY FOSTER

TWIN CITY DEVELOPMENT, L.L.C.



By: Curtis Swanky, Manager

RESTRUCTURING
AGREEMENT

RESTRUCTURING AGREEMENT

AGREEMENT made as of November 11, 1994, by and among Rico Properties Limited Liability Company, The JJRC Limited Liability Company, Twin City Development LLC, Silvercreek Land Company LLC, BAK LLC, Richard M. Theile, Stanley A. Foster, Rico Renaissance Limited Liability Company, Rico Advisory Limited Liability Company, Rico Land and Cattle Company, a Colorado corporation, Telluride Mountain Title Company (hereinafter "Title Company"), ~~and Martin Bregman, Esq.~~

WHEREAS, Rico Properties Limited Liability Company (hereinafter "Rico LLC") is a Colorado limited liability company whose members and respective membership interests are as follows:

| | |
|--|---------|
| The JJRC Limited Liability Company (hereinafter "JJRC") | 30.268% |
| Twin City Development LLC (hereinafter "Twin City") | 20.179% |
| Silvercreek Land Company LLC (hereinafter "Silvercreek") | 20.179% |
| BAK LLC (hereinafter "BAK") | 20.179% |
| Richard M. Theile (hereinafter "Theile") | 5.765% |
| Stanley A. Foster (hereinafter "Foster") | 3.430% |

WHEREAS, Rico LLC is the party to contract with Rico Development Corporation (hereinafter "RDC") pursuant to which Rico LLC has obtained title to certain parcels of land from RDC and pursuant to which it has certain options to acquire title to various other parcels of land from RDC (a copy of said contract is annexed hereto as Exhibit "A"; a copy of said Option Agreements are annexed hereto as Exhibits "B" and "C" and are hereinafter referred to as the "RDC Option Agreements"); and

WHEREAS, the above contract and the RDC Option Agreements were structured between Rico LLC and RDC under advice of legal counsel, so that Rico LLC could have adequate time to undertake an environmental investigation of the subject property and not take title to any property unless Rico LLC was completely satisfied that ownership of such property would have no associated environmental liability; and

WHEREAS, RDC has refused to comply with its obligations under the RDC Option Agreements thereby leaving Rico LLC with the choice of either prosecuting an expensive and time-consuming legal action against RDC, or restructuring its relationship in a way that allows the continued environmental investigation of the subject

property without the risk of assumption of any environmental liability by JJRC, Silvercreek, Twin City, BAK and Theile, and with a minimum of tax liability generated as a direct result of the restructuring; and

WHEREAS, Foster has agreed to facilitate the restructuring by engaging in certain transactions set forth in this Agreement, pursuant to which, among other things, Foster would end up having a ninety-nine percent (99%) membership interest in Rico LLC, and be its sole manager, and pursuant to which Foster would thereafter cause Rico LLC to take title to most of the properties that are the subject matter of the RDC Option Agreements; and

WHEREAS, Title Company ~~and Martin Bregman, Esq.~~ desire to make their services available to the parties herein to facilitate the transactions contemplated herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree to undertake the following steps in the order stated below:

ARTICLE I FORMATION OF RRLLC AND RICO ADVISORY

A. Formation of Rico Renaissance Limited Liability Company.

JJRC, Silvercreek, Twin City, BAK and Theile hereby agree to take all steps necessary to form Rico Renaissance Limited Liability Company (hereinafter "RRLLC"), a Colorado limited liability company.

1. The parties agree that RRLLC will have as its members the following persons with the respective membership interests indicated after their names:

| | | |
|-------------|---|---------|
| JJRC | - | 31.343% |
| Silvercreek | - | 20.895% |
| Twin City | - | 20.895% |
| BAK | - | 20.895% |
| Theile | - | 5.972% |

2. The parties agree that RRLLC will operate in accordance with the Operating Agreement for RRLLC in the form annexed hereto as Exhibit "D."

B. Formation of Rico Advisory Limited Liability Company.

M. Jack Duksin, Curtis Swanky, Michael Hines, Bill Baird and Richard M. Theile agree to take all steps necessary to form Rico Advisory Limited Liability Company, a Colorado limited liability company, for the purpose of, among other things,

providing consulting services to Rico LLC pursuant to a consulting agreement in the form annexed hereto as Exhibit "E."

1. The parties agree that Rico Advisory LLC shall have as its members the following persons with the respective membership interests indicated after their names:

| | | |
|-------------------|---|---------|
| M. Jack Duksin | - | 31.343% |
| Curtis Swanky | - | 20.895% |
| Michael Hines | - | 20.895% |
| Bill Baird | - | 20.895% |
| Richard M. Theile | - | 5.972% |

2. The parties agree that Rico Advisory LLC shall operate in accordance with the Operating Agreement for Rico Advisory LLC annexed hereto as Exhibit "F."

3. The parties agree that the business and purpose of Rico Advisory LLC shall include, but not be limited to, the giving of nonbinding advice to Rico LLC regarding all aspects of the ownership, sale and development of the assets owned by Rico LLC.

ARTICLE II DISTRIBUTION OF CERTAIN REAL ESTATE ASSETS

JJRC, Silvercreek, Twin City, BAK, Theile and Foster agree to cause Rico LLC, and Rico LLC hereby agrees, to transfer, convey and assign to RRLLC all right, title and interest in and to all of those real property assets which are listed immediately below to RRLLC. Rico LLC agrees to execute such deeds and other documents necessary to effect such transfer, conveyance, sale and delivery.

Assets to be transferred by Rico LLC to RRLLC: Those assets listed and described on Exhibits WD-RIC-1, WD-RIC-2, annexed hereto, and those portions of the Rico Smelting Co. Tract and the Pasadena Reduction Co. Tract that are east of State Highway 145, as described in Exhibits WD-RIC-3 and WD-RIC-4, respectively, annexed hereto.

ARTICLE III CONVEYANCE BY FOSTER AND OTHER MEMBERS

A. Transfer of 99% Rico LLC Membership Interest to Foster.

Each of the members of Rico LLC (other than Foster) agrees that, immediately following the transfers described in Article II above, they shall each sell, convey, transfer and assign

all but one percent (1%) of their aggregate, combined membership interest in Rico LLC to Foster.

B. Transfer of 1% Membership Interest to Forrest D. Foster.

Each of the members of Rico LLC (other than Foster) agrees that, simultaneous with the transfers described in Article III, section A. above, they shall each sell, convey, transfer and assign the remaining one percent (1%) of their aggregate, combined membership interest in Rico LLC to Forrest D. Foster.

C. Consideration to Foster.

JJRC, Silvercreek, Twin City, BAK, and Theile agree that they shall cause RRLLC to agree that it shall pay over and deliver to Foster 3.430% of all net profits (or the equivalent in "in kind" benefits) realized by RRLLC upon the sale or exchange of those assets described in Article II above.

ARTICLE IV

EXERCISE OF OPTION (NON-MAIN STREET PROPERTY)

A. Undertakings by Rico LLC.

Wherever in this Agreement (other than in Article II) there is an agreement or undertaking by Rico LLC, then Foster agrees to take all steps necessary to cause Rico LLC to comply with such agreement or undertaking.

B. Exercise of Option.

Rico LLC agrees that it shall promptly exercise its options to acquire all property subject to the RDC Option Agreement annexed hereto as Exhibit "B," except the following properties:

Mountain Springs Mining Claim, Patent No. 18766, Denver Mining Claim, Patent No. 23428, Big Strike, Patent No. 23428, and Catskill, Patent No. 21923.

ARTICLE V

EXERCISE OF OPTION (MAIN STREET AND R-2 PROPERTY)

RRLLC agrees that Rico LLC shall exercise its options to acquire the assets subject to the RDC Option Agreement annexed hereto as Exhibit "C" as and when Rico LLC in its sole discretion so elects, except for the five (5) lots behind the Burley Building described in Article VI below.

ARTICLE VI
FIVE LOTS BEHIND BURLEY BUILDING

Rico LLC agrees that it shall exercise the option to acquire the five lots behind the Burley Building (Block 1, Lots 36-40). Rico LLC agrees to take any and all steps necessary to install a septic system on such lots which septic system shall service the theater/cafe and Burley Building, provided all costs related to the installation of such septic system are paid by the respective owners of the Burley Building and the theater/cafe. Rico LLC agrees to grant in consideration of ten dollars (\$10.00) an easement to the owners of the theater/cafe and Burley Building for use of the five (5) lots for a septic system, which easement shall run with the land until a sewer system is installed by the Town of Rico replacing the need for such septic system. Rico LLC also agrees to grant (in consideration of ten dollars (\$10.00)), a perpetual easement running with the land for the placement of propane tanks, which tanks will be owned and used by the owners of the theater/cafe and Burley Building. Rico LLC shall have the sole discretion, exercised with reasonableness, regarding the location of the septic system and propane tank easements. The owners of the Burley Building and the theater/cafe shall be individually responsible and liable for all costs associated with their respective septic system and propane tank.

ARTICLE VII
GRANT OF OPTION BY RICO LLC TO RRLLC

In further consideration of the agreements of the parties herein, and as an integral part of the restructuring transaction, the parties agree to enter into an option agreement, the terms of which are set forth below, which Foster agrees to cause Rico LLC to enter into in his then capacities as 99% member, and sole manager, of Rico LLC.

A. In General.

Notwithstanding anything in this Agreement to the contrary, at all times until December 31, 1999, Rico LLC hereby grants to RRLLC, and RRLLC shall have, the irrevocable, exclusive right to acquire from Rico LLC, or to cause Rico LLC to transfer, sell, convey, exchange or assign, in whole or in part, all or any part or parts of the assets, or options to acquire assets, to any person or persons which RRLLC in its sole and absolute discretion deems appropriate, which assets or options constitute all the assets or options described in the exhibits to the RDC Option Agreements, as modified by the next two sentences (hereinafter the "Restructured Assets"). For purposes of this Agreement, the RDC Option Agreements are deemed modified by deleting the following assets from the exhibits to the RDC Option Agreements: Block 6,

Lots 39 & 40 Block 14, Lots 31-35; Block 12, Lots 31-36 Block 28, Lots 1 & 2; Block 29, Lots 1-5; Block A, Peidmont Addition, Town of Rico; Mountain Springs Mining Claim, Patent No. 18766; Denver Mining Claim, Patent No. 23428; Big Strike, Patent No. 23428; and Catskill, Patent No. 21923, it being understood and agreed that these assets either have been previously sold or are considered to have potential environmental liability in excess of that to which Foster and Rico LLC are willing to risk being exposed. For purposes of this Agreement, the RDC Option Agreements are deemed modified by adding the following assets to Exhibits "B" of this Agreement: F.G. Day Tract, Patent No. xx ; Winkfield Tract East, Patent No. xx ; Block 1, Lots 39 & 40; and Tremble Tract, Patent No. xx . Foster agrees to cause Rico LLC, and Rico LLC agrees, promptly and diligently to take all steps necessary to effect the intent of this paragraph.

B. Option Payments.

1. In general.

The consideration to be paid by RRLLC to Rico LLC for such acquisition, assignment, transfer, sale, conveyance or exchange (hereinafter the "Option Payments") shall be calculated as follows: If Foster or Rico LLC fail to comply with any of their agreements, promises or obligations hereunder, or if at the time such transaction occurs, the Restructured Asset(s) which is the subject of such transaction does not appear on any of Schedules W, X, Y or Z (described in paragraphs C, D, E, and F, below), then, notwithstanding anything in this Agreement to the contrary, the consideration to be paid by RRLLC to Rico LLC shall be (i) one hundred dollars (\$100.00) in each instance, plus (ii) when applicable, the reimbursement of any release consideration or other amounts paid by Rico LLC to RDC pursuant to the RDC Option Agreements (or a Deed of Trust which may be executed by Rico LLC replacing the contractual obligation set forth in the RDC Option Agreements to pay release consideration), plus (iii) 3.43% of the net profits or "in-kind" benefits, if any, realized upon the sale, transfer, exchange or assignment of any Restructured Assets to an unrelated third party in an arms-length transaction (the remaining 96.57% of the net profits belonging to RRLLC). If, at the time, such transaction occurs, the asset or option that is the subject of such transaction does appear on either of Schedules W, X, Y and Z, and Foster and Rico LLC are in full compliance with each and every one of their agreements, promises and obligations in this Agreement, then the Option Payments to be paid by RRLLC to Rico LLC shall be (i) one hundred dollars (\$100.00) in each instance, plus (ii) when applicable, the reimbursement of any amounts paid by Rico LLC to RDC pursuant to the RDC Option Agreements (or a Deed of Trust which may be executed by Rico LLC replacing the contractual obligation set forth in the RDC Option Agreements to pay release consideration), plus (iii) when applicable, the amounts, if any,

payable to Rico LLC as
whichever is applicable.

OW,

C. Schedule "W" Profit Split.

Upon the transfer, conveyance, assignment, sale or exchange by Rico LLC of all or any part of any of its assets (including without limitation, mineral rights), or options held by Rico LLC to acquire any assets, listed on Schedule "W," annexed hereto, the net profits of each such transaction shall be shared as follows: eighty-seven percent (87%) shall be paid and distributed to RRLLC and thirteen percent (13%) shall be paid and distributed to Rico LLC, until Rico LLC has received one million dollars (\$1 million) in net profits from all sources relating to or flowing from the Restructured Assets. Thereafter, the net profits of such transaction shall be shared as follows: ninety-two percent (92%) shall be paid and distributed to RRLLC and eight percent (8%) shall be paid and distributed to Rico LLC.

D. Schedule "X" Profit Split.

Upon the transfer, conveyance, assignment, sale or exchange by Rico LLC of (a) any of the assets (including without limitation, mineral rights) listed on Schedule "X," annexed hereto, or (b) of any of the options held by Rico LLC to acquire any such assets, the proceeds and profits of such sale shall not be shared, but shall belong solely to Rico LLC.

E. Schedule "Y" Profit Split.

Upon the sale, transfer, conveyance, assignment or exchange in whole or in part of any of (a) the assets (including without limitation, mineral rights) owned by Rico LLC listed on Schedule "Y," annexed hereto, or (b) of any of the options held by Rico LLC to acquire any such assets, the net profits of such sale, transfer, conveyance, exchange or assignment shall be shared ninety-six and fifty-seven one hundredths percent (96.57%) to RRLLC and three and forty-three one hundredths percent (3.43%) to Rico LLC.

F. Schedule "Z" Profit Split.

Upon the sale transfer, conveyance, assignment or exchange in whole or in part of (a) any of the assets (including without limitation, mineral rights) owned by Rico LLC, listed on Schedule "Z," annexed hereto, or (b) of any of the options held by Rico LLC to acquire any such assets, the net profits of any such transaction shall be shared fifty percent (50%) to RRLLC and fifty percent (50%) to Rico LLC.

G. Forest Service Trade.

Notwithstanding paragraphs D, C, E or F to the contrary, (i) the parties agree that if any asset listed on Schedule X or on Schedule Z is transferred to the United States Forest Service or

any other federal government agency in exchange for any other assets, then the assets received by Rico LLC in such exchange shall not be deemed to have been listed on Schedule X or Schedule Z as the case may be, but shall, instead, be deemed to have been listed on Schedule W; (ii) Rico LLC and Foster agree that they shall not convey, transfer, sell, exchange or assign any assets, which are the possible subject of a U.S. Forest Service trade to any person other than the U.S. Forest Service, without RRLLC's prior written consent for so long as such assets are subject to RRLLC's right of first refusal under Article XIII; and (iii) in the event that Rico LLC sells, transfers, exchanges, conveys or assigns any assets that are adjacent to U.S. Forest Service land, Rico LLC will expressly provide in any documents of sale, exchange, conveyance, transfer or assignment (a) for the exclusive assignable right of Rico LLC to claim adjacency for purposes of a later U.S. Forest Service trade by Rico LLC, and (b) for the obligation of the transferee to take all steps necessary to cooperate or otherwise effect the intent of this paragraph. Rico LLC will take all steps, and execute all documents, necessary to effectuate the intent of this paragraph.

H. Town of Rico Trade or Gift.

1. Foster, Rico LLC, and Rico Land and Cattle Company agree to undertake all steps necessary to effect an exchange with the Town of Rico, pursuant to which Rico LLC will transfer the assets described in subparagraph 2 below to the Town of Rico in exchange for certain intangible benefits and inchoate rights including, without limitation, additional population density, open space credits, public use credits and mitigation credits. The parties agree that, notwithstanding anything in this Agreement to the contrary, all such benefits and inchoate rights shall, to the extent possible, be considered Schedule Y assets, and to the extent not possible shall be considered to be allocated among, and concomitantly attributable to, those assets on those schedules to which those benefits or inchoate rights directly relate. The parties agree that Rico LLC is permitted to transfer the assets described in subparagraph 2 below to Rico Land and Cattle Company, a Colorado corporation of which Foster is, and will at all times be (except as otherwise permitted by paragraph I below), the sole stockholder. If the Town of Rico refuses to participate in such exchange after good faith compliance with this paragraph by Foster, Rico LLC and Rico Land and Cattle Company, for a period of fifteen (15) years, then all the assets listed in subparagraph 2 below shall be deemed Schedule X assets.

2. The assets covered by this paragraph H are: (i) The A.E. Arms Tract North, (ii) The A.E. Arms Tract South, (iii) F.G. Day Tract, (iv) Winkfield Tract East, (v) Tremble Tract, (vi) R.G.S. Tract South (vii) R.G.S. Tract North, (viii) R.G.S. "WYE" or "Y" Tract, (ix) All lots in Block 28, (x) Block 12, Lots 23-26, (xi) the Far View Mill site, and (xii) Block 24, those portions of the Van Winkle Head Frame that are not developable as home sites.

3. Foster agrees that fifty percent (50%) of any actual dollar tax benefit (i.e., either tax reduction, refund or credit)

realized by him upon any transfer or gift described in this paragraph, shall be paid to RRLLC.

I. Transfer of Foster's Interest in Rico LLC or Rico Land and Cattle Company.

In the event that Foster in any way transfers, assigns, conveys, disposes, sells or exchanges (other than by death or inheritance, provided that his heirs, successors and assigns comply with this Agreement) more than fifteen percent (15%) of any aspect of his membership or ownership interest in Rico LLC or Rico Land and Cattle Company, or otherwise is no longer in control or the sole manager or senior operating officer of either such entity, then all assets listed on Schedules W, X or Z shall instead be deemed to have been listed on Schedule Y at all times from the date of this Agreement.

J. Net Profits Includes "In-Kind" Benefits.

For purposes of this Article VII, the term "net profits" shall mean the proceeds of any transaction, net of any and all direct and indirect expenses (excluding administrative expenses of Rico LLC and Rico Company) related to such transaction, and in addition to cash and cash obligations, any "net profits" received as consideration for such sale, exchange, transfer or conveyance.

K. Disbursement of Option Payments.

All Option Payments shall be payable to Title Company for the respective benefit of Rico LLC and RRLLC in accordance with this Agreement, and shall be immediately released to Rico LLC in accordance with this Agreement. In no event shall RRLLC be permitted to close an Escrow if RRLLC is in default under any Option Payment referred to herein.

L. Notice of Exercise.

RRLLC may exercise the rights granted by this Article XI to purchase all or various portions of the Restructured Assets any time after November 11, 1994. Any exercise of any right granted by this Article IX shall be by written notice signed by the RRLLC and hand delivered or sent certified mail, postage prepaid, return receipt requested, to the Title Company and Rico LLC at the address set forth herein.

RRLLC may elect to exercise any right granted herein with respect to fee title to any portion of the Restructured Assets, or the surface estate of such Restructured Assets, or any combination of the surface estate and interests in minerals together constituting less than fee title; and Rico LLC shall grant the surface estate of any portion of the Restructured Assets and grant and reserve all or any portion of the mineral estate in the

Restructured Assets in the manner specified by RRLLC in its exercise of any right granted herein, provided RRLLC makes the Option Payment specified above.

M. Exercise of Option and Payment of Purchase Price.

In the event that any of the rights referred to in this Article IX is timely exercised as herein provided, Rico LLC and RRLLC shall perform the obligations set forth in this Agreement and as follows:

1. An escrow shall be immediately opened by Title Company (hereinafter "Escrow");

2. Escrow shall close no later than sixty (60) days after Rico LLC's receipt of RRLLC's notice of exercise (hereinafter "Closing Date"). If an earlier Closing Date is requested by RRLLC, each party agrees to use its efforts in good faith to close Escrow at or as soon as possible;

3. Rico LLC and RRLLC shall enter into Title Company's standard Escrow Instructions, standard residential contract to buy and sell real estate, standard commercial contract to buy and sell real estate, or standard vacant land/farm and ranch contract to buy and sell real estate (hereinafter "Contract") whatever the case may be, as may be modified by RRLLC in its sole discretion. Title Company is authorized as agent for Rico LLC and RRLLC to insert such provisions, terms and conditions, as the RRLLC shall direct consistent with the terms and provisions of this Agreement;

4. The cost, if any, of standard owner's title policy shall be paid by RRLLC or RRLLC's purchaser, assignee or transferee, as the case may be;

5. All other escrow fees, recording expenses and all other closing expenses, if any, payable by the seller or assignor shall be payable by RRLLC and Rico LLC in proportion to their relative profit split described in Articles VI and VII herein;

6. Transfer of title to the portion of the Restructured Assets with respect to which RRLLC has exercised any of its rights granted herein shall be evidenced by method of conveyance selected by RRLLC which shall be either method of Warranty Deed attached hereto as Exhibits "G" and "H," or any other transfer deed (hereinafter "Deed") reasonably requested by RRLLC consistent with the terms of this Agreement. In addition, Rico LLC shall transfer by appropriate documentation the applicable personal property of Rico LLC relating to the portion of the Restructured Assets subject to the Escrow;

7. The portion of the Restructured Assets with respect

to which RRLLC has exercised any of its rights granted herein shall be transferred subject only to current taxes and assessments prorated through Closing Date (which payment RRLLC is obligated to make), reservations and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as appear in the Updated Title Commitment, issued by the Title Company and dated March 29, 1994, as Order No. 94010047B (hereinafter "Title Commitment");

8. All parties agree to execute, acknowledge and deliver such other instruments and documents as may be reasonably necessary to consummate any Escrow in a timely manner.

ARTICLE VIII INSPECTION RIGHTS AND OPERATION OF RESTRUCTURED ASSETS

A. Grant of License.

Rico LLC hereby grants RRLLC an exclusive license (except that Rico LLC reserves for itself all rights granted to RRLLC pursuant to this Article VIII) to enter any portion of the real property constituting or underlying the Restructured Assets (hereinafter also referred to as the "Restructured Assets") to allow evaluation of the Restructured Assets for future development. Such evaluation shall be at RRLLC's sole expense. The exclusive license granted herein shall remain valid until final and complete exercise or expiration of all of the rights granted to RRLLC under Article VII of this Agreement. During the term of said license, RRLLC shall not develop the surface or mineral estate of the Restructured Assets, but shall only enter and evaluate the Restructured Assets. RRLLC may conduct and may authorize and license others to conduct all manner of surface and subsurface investigations concerning physical and environmental condition of the Restructured Assets provided RRLLC shall remain responsible for the proper disposition of all wastes created in the course of such evaluation and surface or subsurface investigations.

B. Indemnity.

RRLLC hereby indemnifies Rico LLC and shall hold Rico LLC harmless from all claims, costs or liabilities arising out of a physical injury suffered by RRLLC or its agents with regard to the inspection right of RRLLC granted by Rico LLC hereunder.

C. Additional Covenants.

During the period commencing upon the date of this Agreement until December 31, 1999, the Rico LLC and RRLLC agree as follows:

1. Except with respect to the Restructured Assets listed on Schedule X and except as otherwise set forth in this Agreement,

Rico LLC shall:

a. enter into no loans, leases, easements, or other agreements that affect the ownership, management, leasing, or operation of the Restructured Assets, unless such agreements are cancelable upon not more than thirty (30) days written notice or unless such agreements have been approved in advance and in writing by RRLLC;

b. send no less than quarterly to RRLLC any nonconfidential correspondence that Rico LLC receives from Governmental Authorities regarding the Option Property, unless said correspondence requires immediate action by RRLLC to protect its rights hereunder or which failure to act properly would adversely affect the value of the Restructured Assets, then in such an event Rico LLC agrees to forward such correspondence to RRLLC promptly.

2. In addition, Rico LLC covenants and agrees that, at all times until December 31, 1999, it shall not place or allow any voluntary or involuntary liens (other than involuntary liens arising through no fault of, and not caused by RRLLC), encumbrances, or other matters to be placed of record on the Restructured Assets, including, without limitation, any matter referred to in this Agreement (hereinafter "Lien(s)") (other than those set forth as of the date hereof in the Title Commitment, including the Houston/Hancock Street issue and the Maxwell-Watkins lawsuit matter which Rico LLC represents and warrants will not adversely impact the value of the Restructured Assets) which are not "Cured" (as defined below) on or before the applicable Closing Date of any particular portion of the Restructured Assets affected by the Lien. Notwithstanding the foregoing, in the event any such Liens arise, Rico LLC shall on or before thirty (30) days prior to the applicable Closing Date of any particular portion of the Restructured Assets affected by the Lien, eliminate or satisfy such Liens or obtain a commitment for title endorsement insuring against loss or damage from such Liens, then such Liens shall be deemed "Cured" and the result shall be called a "Cure Event." In the event Rico LLC is unable to perform a Cure Event by the applicable Closing Date of any portion of the Restructured Assets affected by the Lien, RRLLC shall be entitled, in its sole and absolute discretion to: (i) proceed to exercise rights granted to RRLLC under Article VII and Article VIII of this Agreement, in which case, RRLLC shall be entitled to a credit against that portion of the original Option Payment payable to Rico LLC (and the Escrow in question) in an amount equal to the amount of the Liens and costs and expenses directly incurred by RRLLC in attempting to remove said Liens; and/or (ii) exercise any other available remedy at law or in equity.

3. Foster covenants and agrees to cause Rico LLC, and

Rico LLC covenants and agrees, to take any and all actions necessary (i) to eliminate environmental contamination, so as to meet any governmental requirements actually imposed with respect to any of the Restructured Assets (including, without limitation, the separation by legal subdivision of any contaminated portions of patented claims from the uncontaminated portions of such claims, and the physical elimination or correction of environmental contamination), or (ii) to otherwise allow RRLLC to exercise, profitably in an arms-length transaction, any of its rights under Article VII of this Agreement with respect to the Restructured Assets, provided, however, Rico LLC and RRLLC shall share any out-of-pocket costs (excluding any environmentally related liability) incurred before, or in connection with, any such exercise by RRLLC of its rights under Article VII of this Agreement. Such out-of-pocket costs shall be shared in accordance with the profit-split set forth in Article VII of this Agreement. Rico LLC and RRLLC hereby expressly agree that, as between Rico LLC and RRLLC, Rico LLC assumes full and exclusive liability and responsibility for any environmentally related liability, with respect to any of the Restructured Assets, including without limitation, "Superfund" liability and any out-of-pocket costs incurred as a result of mandatory (government or court imposed) environmental clean-up, and Rico LLC agrees to indemnify and hold RRLLC harmless against any such claims or liability. Except as expressly set forth herein, RRLLC shall have no claim or right with respect to the management, assets, profits or liabilities of Rico LLC or Rico Land and Cattle Company; the management and sharing of profits and losses of Rico LLC shall be governed solely by their respective Operating Agreement, Certificate of Incorporation, or By-Laws, as the case may be.

4. Rico LLC and Foster covenant and agree that RRLLC will have final approval regarding any and all aspects of the intended use, structure, improvements, user or purchaser of the Columbia Mill Site for a period of fifteen (15) years from the date of this Agreement. This restriction shall be written into the deed of conveyance and run with the land.

ARTICLE IX CONDEMNATION

If any portion of the Restructured Assets becomes the subject of a condemnation proceeding prior to December 31, 1999, Rico LLC agrees to immediately advise RRLLC in writing of such proceeding. RRLLC then shall have the option to: (1) authorize Rico LLC to negotiate with the condemning authority and receive the condemnation award, with a reduction in the purchase price of the portion of the Restructured Assets affected, equal to the amount by which (a) the amount received by Rico LLC as gross proceeds of the

condemnation proceeds, exceeds (b) the amount of any out-of-pocket expenses reasonable incurred by Rico LLC to third parties in connection with such negotiations; or (2) exercise the rights granted to RRLLC under Article VII herein in accordance with the terms and conditions of this Agreement and elect to negotiate directly with the condemning authority for the condemnation award, in which event (a) RRLLC shall be entitled to the amount of any such award if RRLLC exercises any of the rights granted to RRLLC under Article VII herein and concludes the purchase of the Restructured Assets to which the condemnation relates, (b) the amount of any such award shall be paid to the Title Company for further disbursement to RRLLC and Rico LLC in accordance with the applicable provisions of this Agreement, if and when the respective purchase of the particular portion of the Restructured Assets is closed; and (c) no reduction shall be made to the purchase price of the portion of the Restructured Assets. Notice of the exercise of RRLLC's election under subparagraph (1) or (2) above shall be made within ten (10) days after RRLLC receives notice of the proceeding from Rico LLC.

ARTICLE X REAL ESTATE TAXES

During the period of this Agreement, RRLLC shall be responsible for the payment of real estate property taxes on the Restructured Assets; provided, however, that in the event RRLLC executes a quit-claim deed to Rico LLC with regard to any portion of the Restructured Assets (or executes other similar documents indicating an irrevocable termination of its right to purchase the portion or the Restructured Assets), then in such an event, the obligation of RRLLC for the payment of any further taxes after that date will cease on that particular piece of Restructured Assets.

ARTICLE XI FAILURE TO EXERCISE RIGHTS

If RRLLC does not timely exercise any of the rights granted under Article VII herein, or is unable to exercise such rights due to a default of this Agreement by RRLLC, the Option Payments shall be retained by Rico LLC, free of all claims of RRLLC, and neither party shall have any further right or claims against the other. Concurrent with the recording of the Agreement as set forth in Article XV, RRLLC shall execute and deliver to the Title Company, a Quit-Claim deed in recordable form divesting RRLLC of all rights under this Agreement and the Restructured Assets, said deed attached hereto as Exhibit "I." The Quit-Claim deed shall be held by the Title Company and recorded by the Title Company immediately following any termination of this Agreement

pursuant to the terms hereof.

ARTICLE XII
FURTHER ASSURANCES; ATTORNEY-IN-FACT

At any time, and from time to time, upon request of Title Company or RRLLC, Rico LLC shall make, execute and deliver, or will cause to be made, executed and delivered, to the Title Company or to Title Company's designee, and when requested by Title Company, cause to be executed, filed, recorded, as the case may be, at such times Title Company may reasonably deem appropriate, any and all such documents, Escrow Instructions, Contracts, Deeds, agreements, statements, instruments of further assurance, and other documents as may, in the sole reasonable opinion of Title Company, be necessary or desirable in order to effectuate, complete, and perfect the real transactions contemplated by this Agreement in a timely manner.

If Rico LLC fails to timely perform any of the acts it is required to perform under this Agreement within fourteen (14) days of the opening of an Escrow or within fourteen (14) days from the date of request by RRLLC to Rico LLC and/or Title Company, the parties hereto agree that ~~Martin Bregman, Esq.~~ is hereby authorized and directed, and hereby agrees (in consideration of ten dollars (\$10.00) and other good and valuable consideration), to perform any and all such acts for and in the name of Rico LLC. Only for such purposes, Rico LLC hereby irrevocably appoints ~~Martin Bregman, Esq.~~, as its attorney-in-fact for the purpose of executing, delivering, filing, recording, and doing all other things as may be necessary or desirable to accomplish the matters contemplated by this Agreement. In the event that ~~Martin Bregman, Esq.~~, is unable or refuses to act as attorney-in-fact, Rico LLC agrees that RRLLC may in its sole and absolute discretion select and appoint a suitable substitute to act as attorney-in-fact for Rico LLC hereunder.

TITLE COMPANY MS
TITLE COMPANY MS

ARTICLE XIII
RIGHT OF FIRST REFUSAL

Notwithstanding anything herein to the contrary, RRLLC shall have a right of first refusal with respect to Rico LLC's proposed transfer, sale, exchange, conveyance, assignment or encumbrance of the Restructured Assets for fifteen (15) years from the date hereof. In this regard, Rico LLC agrees to give RRLLC ten (10) days prior written notice of its intent to execute any documents regarding the transfer, assignment, exchange, sale or encumbrance any of the Restructured Assets. If RRLLC elects to exercise its right of first refusal with respect to any of the

Restructured Assets, then it shall not purchase the subject asset, but, rather, the consequence of RRLLC's exercise of its right of first refusal shall be that the net profits realized upon the later disposition of all or any part of the Restructured Assets shall be shared in accordance with Article VII.B. herein.

ARTICLE XIV
RIGHT OF SPECIFIC PERFORMANCE

Rico LLC agrees that RRLLC shall have, in addition to any other rights and remedies available at law or in equity, the right of specific performance to enforce the terms and provisions of this Agreement, except Article VIII.C.3 with respect to which RRLLC's only remedy for the breach by Foster, Rico LLC or Rico Land and Cattle Company shall be that set forth in Article VII.B.1.

ARTICLE XV
RECORDATION

Rico LLC and RRLLC shall record this Agreement or a memorandum thereof concurrent with its execution.

ARTICLE XVI
ASSIGNMENT

This Agreement and any or all of the interests, duties, benefits or rights of RRLLC hereunder may be assigned in whole or in part with regard to all or part of the Restructured Assets by RRLLC without the consent of Rico LLC.

ARTICLE XVII
NOTICES

All notices, requests, demands or other communication required or permitted under this Agreement must be in writing and shall be effective on the earlier of either (1) the date received by such party if delivered via hand delivery or facsimile transmission; or (2) forty-eight (48) hours after the date such notice is sent, if sent via registered or certified mail, return receipt requested, postage and fees prepaid and addressed to the parties herein as set forth below:

To RRLLC and any
of its members:

RRLLC
c/o Mike Theile Real Estate
P.O. Box 725, 213 W. Colorado Ave.
Telluride, CO 81435

Attn: Richard M. Theile
(Fax No.) 303-728-5417
(Tel. No.) 303-728-5440

with a copy to:

M. Jack Duksin, Esq.
P.O. Box 1204, 747 W. Pacific Ave.
Telluride, CO 81435
(Fax No.) 303-728-0582
(Tel. No.) 303-728-6877

To Rico LLC, Foster
and Rico Land and
Cattle Company:

Rico LLC
c/o Stanley A. Foster
P.O. Box 66, 1 Hinkley Road
Rico, CO 81332
(Fax No.) 303-728-2144
(Tel. No.) 303-967-5441

To Title Company
~~and/or~~
~~Martin Bregman, Esq.~~

Martin Bregman
Telluride Mountain Title Company
P.O. Box 1440
Telluride, CO 81435
(Fax No.) 303-728-6416
(Tel. No.) 303-728-3125

ARTICLE XVIII TIME

Time is of the essence for purposes of each and every provision of this Agreement. Any extension of time granted for the performance of any duty under this Agreement shall not be considered a waiver of, or an extension of time for, the performance of any other duty under this Agreement.

ARTICLE XIX BENEFIT AND BURDEN

This Agreement and the terms, covenants and conditions hereof shall inure to the benefit of, and shall be binding upon, the parties hereto, their respective heirs, executors, administrators, successors and assigns.

ARTICLE XX
ATTORNEYS' FEES

In the event of any proceeding or action to enforce the provisions of this Agreement, the parties understand and agree that the court before which the same shall be held or tried shall award to the prevailing party all damages, costs and expenses thereof including, but not limited to, reasonable attorneys' fees.

ARTICLE XXI
CAPTIONS

Captions and paragraph headings used herein are for convenience only and are not part of this Agreement and shall not be deemed to limit or alter any provision hereof and shall not be deemed relevant in construing this Agreement.

ARTICLE XXII
FACSIMILE COPY

The parties hereto agree to accept a facsimile copy of this Agreement with signatures thereon as a fully-executed counterpart of this Agreement.

ARTICLE XXIII
SEVERABILITY

In case any one or more of the provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

ARTICLE XXIV
COUNTERPARTS

This Agreement may be executed in any number of counterparts; all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

INDEMNITY AGREEMENT

This Indemnity is hereby attached and incorporated into that Restructuring Agreement dated November 11, 1994, by and between Rico Properties Limited Liability Company, The JJRC Limited Liability Company, Twin City Development LLC, Silvercreek Land Company LLC, BAK LLC, Richard M. Theile, Stanley A. Foster, Rico Renaissance Limited Liability Company, Rico Advisory Limited Liability Company, Rico Land and Cattle Company, a Colorado corporation, and Telluride Mountain Title Company

The undersigned parties hereby hold harmless and indemnify Stewart Title Guaranty Company and The Telluride Mountain Title Company against any and all claims and damages that may be incurred by any party to this Agreement or otherwise, as a result of The Telluride Mountain Title Company executing this Restructuring Agreement, and facilitating the closings contemplated therein; including the facilitation of the conveyances from Rico Development Corporation. It is also agreed that the undersigned parties will reimburse The Telluride Mountain Title Company for all its expenses, including attorney fees and costs incurred in connection therewith.

A handwritten signature in black ink, appearing to be a stylized name, possibly "J. J. R.", written over a circular stamp or mark.

ARTICLE XXV
GOVERNING LAW

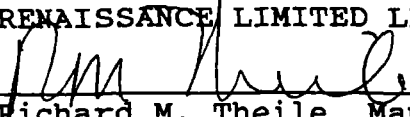
This Agreement shall be deemed to be made under, and shall be construed in accordance with and governed by, the laws of the State of Colorado, and suit to enforce any provision of this Agreement or to obtain any remedy with respect hereto shall be brought in Dolores County, Colorado, and for this purpose each party hereto expressly and irrevocably consent to the jurisdiction of said Court.

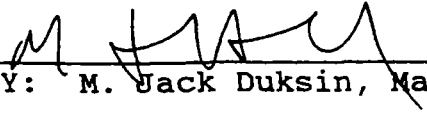
ARTICLE XXVI
REIMBURSEMENT OF FOSTER'S TAX LIABILITY

If, and to the extent that Foster incurs any tax liability, solely related to the restructuring transaction described in this Agreement, RRLLC shall reimburse Foster from any such liability, provided RRLLC shall have the right to contest any such liability. This reimbursement agreement does not include any taxes incurred by Foster because of his, Rico LLC's, or Rico Land and Cattle Company's profits, income or gains derived from the sale, exchange, transfer, conveyance or assignment of any of the Restructured Assets.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

RICO RENAISSANCE LIMITED LIABILITY COMPANY


BY: Richard M. Theile, Manager


BY: M. Jack Duksin, Manager

RICO PROPERTIES LIMITED LIABILITY COMPANY,
(Before transfer by members of their membership interests
to Stanley A. Foster and Forrest D. Foster)


By: Richard M. Theile, Manager


By: M. Jack Duksin, Manager

ARTICLE XXV
GOVERNING LAW

This Agreement shall be deemed to be made under, and shall be construed in accordance with and governed by, the laws of the State of Colorado, and suit to enforce any provision of this Agreement or to obtain any remedy with respect hereto shall be brought in Dolores County, Colorado, and for this purpose each party hereto expressly and irrevocably consent to the jurisdiction of said Court.

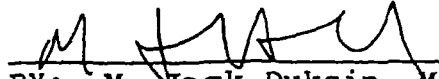
ARTICLE XXVI
REIMBURSEMENT OF FOSTER'S TAX LIABILITY

If, and to the extent that Foster incurs any tax liability, solely related to the restructuring transaction described in this Agreement, RRLLC shall reimburse Foster from any such liability, provided RRLLC shall have the right to contest any such liability. This reimbursement agreement does not include any taxes incurred by Foster because of his, Rico LLC's, or Rico Land and Cattle Company's profits, income or gains derived from the sale, exchange, transfer, conveyance or assignment of any of the Restructured Assets.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

RICO RENAISSANCE LIMITED LIABILITY COMPANY

BY: Richard M. Theile, Manager


BY: M. Jack Duksin, Manager

RICO PROPERTIES LIMITED LIABILITY COMPANY,
(Before transfer by members of their membership interests
to Stanley A. Foster and Forrest D. Foster)

By: Richard M. Theile, Manager


By: M. Jack Duksin, Manager

TWIN CITY DEVELOPMENT ~~LLC~~

By: Curtis Swanky, Manager

SILVERCREEK LAND COMPANY LLC

By: Michael Hines, Manager

BAK LLC

By: Bill Baird, Manager

RICHARD M. THEILE, individually

STANLEY A. FOSTER, individually

RICO ADVISORY LIMITED LIABILITY COMPANY

By: Richard M. Theile, Manager

By: M. Jack Duksin, Manager

TELLURIDE MOUNTAIN TITLE COMPANY

BY: Martin Bregman, President

MARTIN BREGMAN, ESQ.

RICO LAND AND CATTLE COMPANY

BY: Stanley A. Foster, Pres.

STATE OF Arizona)
COUNTY OF Maricopa) ss.:

On this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix AZ and that he is a member of Twin City Development, L.L.C., and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.



Susan Featherston
Notary Public

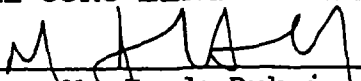
STATE OF _____)
COUNTY OF _____) ss.:

On this _____ day of _____, 1994, before me personally came Bill Baird, to me personally known, who, being by me duly sworn, did depose and say that he resides in Telluride CO, and that he is a member and manager of BAK LLC and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

RICO PROPERTIES LIMITED LIABILITY COMPANY
(After Stanley A. Foster becomes a 99% member
and the sole manager)


By: Stanley A. Foster, Manager

THE JJRC LIMITED LIABILITY COMPANY


By: M. Jack Duksin, Manager

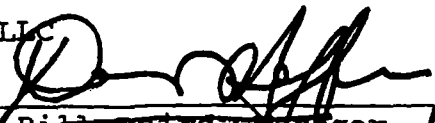
TWIN CITY DEVELOPMENT LLC


By: Curtis Swanky, Manager

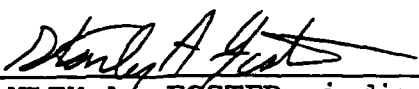
SILVERCREEK LAND COMPANY LLC

By: Michael Hines, Manager

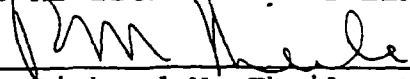
BAK LLC


By: ~~Bill Baird, Manager~~ DAVID I. HOFFMAN, authorized agent


RICHARD M. THEILE, individually


STANLEY A. FOSTER, individually

RICO ADVISORY LIMITED LIABILITY COMPANY


By: Richard M. Theile, Manager



By: M. Jack Duksin, Manager

TELLURIDE MOUNTAIN TITLE COMPANY

BY: Martin Bregman, President

MARTIN BREGMAN, ESQ.

RICO LAND AND CATTLE COMPANY



BY: Stanley A. Foster, Pres.

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ____ day of _____, 1994, before me personally came Richard M. Theile, to me personally known, who, being by me duly sworn, did depose and say that he resides in Telluride, CO, and that he is a member and manager of Rico Renaissance Limited Liability Company and Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ____ day of _____, 1994, before me personally came Stanley A. Foster, to me personally known, who, being by me duly sworn, did depose and say that he resides at No. 1 Hinkley Drive, P.O. Box 66, Rico, CO 81332, and that is a 99% member and the sole manager of Rico Properties Limited Liability Company, and the President and sole Stockholder of Rico Land and Cattle Company, and that he executed the foregoing Restructuring Agreement.

Notary Public

STATE OF _____)
COUNTY OF _____) ss.:

On this _____ day of _____, 1994, before me personally came M. Jack Duxsin, to me personally known, who, being by me duly sworn, did depose and say that he resides at 747 West Pacific Ave., Telluride, CO 81435, and that he is a member of the JJRC Limited Liability Company and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

Notary Public

STATE OF _____)
COUNTY OF _____) ss.:

On this _____ day of _____, 1994, before me personally came Michael Hines, to me personally known, who, being by me duly sworn, did depose and say that he resides at _____ and that he is a member of the Silvercreek Land Company, L.L.C and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

Notary Public

RICO PROPERTIES LIMITED LIABILITY COMPANY
(After Stanley A. Foster becomes a 99% member
and the sole manager)


BY: Stanley A. Foster, Manager

THE JJRC LIMITED LIABILITY COMPANY


By: M. Jack Duksin, Manager

TWIN CITY DEVELOPMENT LLC

By: Curtis Swanky, Manager

SILVERCREEK LAND COMPANY LLC

By: Michael Hines, Manager

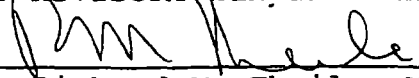
BAK LLC

By: Bill Baird, Manager


RICHARD M. THEILE, individually


STANLEY A. FOSTER, individually

RICO ADVISORY LIMITED LIABILITY COMPANY


By: Richard M. Theile, Manager


By: M. Jack Duksin, Manager

TWIN CREEK DEVELOPMENT LLC

By:  Curtis Swanky, Manager

SILVERCREEK LAND COMPANY LLC

By: Michael Hines, Manager

BAK LLC

By: Bill Baird, Manager

RICHARD M. THEILE, individually

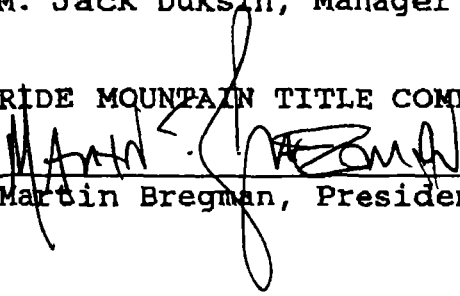
STANLEY A. FOSTER, individually


RICO ADVISORY LIMITED LIABILITY COMPANY

By: Richard M. Theile, Manager

By: M. Jack Duksin, Manager

TELLURIDE MOUNTAIN TITLE COMPANY

By:  Martin Bregman, President

 MARTIN BREGMAN, ESQ.

RICO LAND AND CATTLE COMPANY

By: Stanley A. Foster, Pres.

TELLURIDE MOUNTAIN TITLE COMPANY

BY: Martin Bregman, President

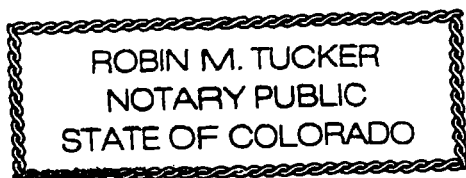
MARTIN BREGMAN, ESQ.


RICO LAND AND CATTLE COMPANY

Stanley A. Foster
BY: Stanley A. Foster, Pres.

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

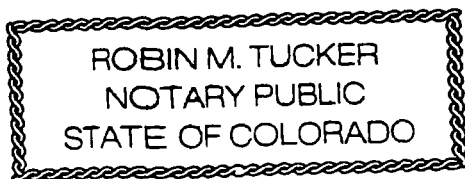
On this 9th day of November, 1994, before me personally came Richard M. Theile, to me personally known, who, being by me duly sworn, did depose and say that he resides in Telluride, CO, and that he is a member and manager of Rico Renaissance Limited Liability Company and Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.





Notary Public
My commission expires:
06/26/96

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

On this 9th day of November, 1994, before me personally came Stanley A. Foster, to me personally known, who, being by me duly sworn, did depose and say that he resides at No. 1 Hinkley Drive, P.O. Box 66, Rico, CO 81332, and that is a 99% member and the sole manager of Rico Properties Limited Liability Company, and the President and sole Stockholder of Rico Land and Cattle Company, and that he executed the foregoing Restructuring Agreement.




Notary Public
My commission expires:
06/26/96

TWIN CITY DEVELOPMENT LLC

By: Curtis Swanky, Manager

SILVERCREEK LAND COMPANY LLC

By: Michael Hines, Manager

BAK LLC

By: Bill Baird, Manager

RICHARD M. THEILE, individually

STANLEY A. FOSTER, individually

RICO ADVISORY LIMITED LIABILITY COMPANY

By: Richard M. Theile, Manager

By: M. Jack Duksin, Manager

TELLURIDE MOUNTAIN TITLE COMPANY

BY: Martin Bregman, President

MARTIN BREGMAN, ESQ.

RICO LAND AND CATTLE COMPANY

BY: Stanley A. Foster, Pres.

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 1994, before me personally came M. Jack Duxsin, to me personally known, who, being by me duly sworn, did depose and say that he resides at 747 West Pacific Ave., Telluride, CO 81435, and that he is a member of the JJRC Limited Liability Company and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

Notary Public

STATE OF GA)
) ss.:
COUNTY OF FULTON)

On this 7 day of NOV., 1994, before me personally came Michael Hines, to me personally known, who, being by me duly sworn, did depose and say that he resides at ATL, GA and that he is a member of the Silvercreek Land Company, L.L.C and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

Matthew D. Almond
Notary Public

STATE OF Arizona)
COUNTY OF Maricopa) ss.:

On this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix AZ and that he is a member of Twin City Development, L.L.C., and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.



Susan Featherston
Notary Public

STATE OF _____)
COUNTY OF _____) ss.:

On this _____ day of _____, 1994, before me personally came Bill Baird, to me personally known, who, being by me duly sworn, did depose and say that he resides in Telluride CO, and that he is a member and manager of BAK LLC and a member of Rico Advisory Limited Liability Company, and that he executed the foregoing Restructuring Agreement.

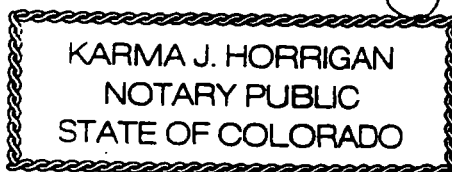
STATE OF Colorado)
COUNTY OF San Miguel) s.s.

The foregoing instrument was acknowledged before me this 28th
day of NOVEMBER, 1994 by MARTIN S. BREGMAN as PRESIDENT of
THE TELLURIDE MOUNTAIN TITLE COMPANY, A COLORADO CORPORATION

Witness my hand and official seal.

My Commission expires: 9-11-97


Notary Public



Schedule "W" (87/13 then 92/8)

1. Tract A (The Land which is currently being adversely possessed by a Mr. Fahrion)
2. Block 25
3. Max Boehmer Tract
4. Graveyard Tract
5. Every patented claim or portions thereof east of the Dolores River to which Rico LLC has, or has an option to acquire, title, except those patented claims, or portions thereof, east of the Dolores River listed on Schedules X, Y or Z.
6. Lot 1 of the Atlantic Cable
7. Block 1, Lots 17-20.
8. All assets received from the U.S. Forest Service in exchange for any assets listed on Schedule X or Schedule Z.
9. All land east of "West River Road" on the following patented claims:

Claim Name

Patent No.

| | |
|----------------|-------|
| Hillside | 23559 |
| Hillside No. 2 | 23559 |
| Yankee Boy | 21107 |
| Home | 25545 |
| Sam Patch | 25545 |

10. Buckeye Lode, Patent Claim No. 7894
11. Mac Lode, Patent Claim No. 7894
12. Hard Scrabble Mining Claim, Patent No. 27326, west of the dirt road
13. Santa Cruz Mining Claim, Patent No. 25864, west of the dirt road
14. Burchard Mining Claim, Patent No. 27326, except that portion listed on Schedule X

Schedule "X" (100% to Rico LLCC)

1. Smuggler Mining Claim, Patent No. 18913, east of West River Road
2. Shamrock Mining Claim, Patent No. 20389, east of West River Road
3. Columbia Millsite Claim, Patent No. 10202
4. Block 1, Lots 36-40
5. Western half of Block 20, below Silver Creek
6. That portion of Block 9 to which Rico LLC has option rights under RDC Option Agreements
7. Those portions of the Little Maggie mining Claim, Patent No. 27326, Santa Cruz Mining Claim, Patent No. 25864, Hard Scrabble Mining Claim and Burchard Mining Claim, both with Patent No. 27326, with "significant environmental liability," as that term is defined on Schedule Z.

Schedule "Y" (96.57% / 3.43%)

1. Little Ada South - east of Highway 145
2. Block 11, lots 2-4, 11-29, part of lot 32, lots 33-34
3. Block 15, lots 33 & 34
4. Block 9, lots 19-23
5. Block 30, lots 3-6
6. Tracts B, C & D, as described in U.S. Patent, recorded Dec. 15, 1891, in book 17, page 394, except that part of Tract C conveyed in Book 57, at p. 374
7. Elliot Millsite Claim, Patent No. 9764
8. Tract 2 (Atlantic Cable) (see Option I-RDC Option Agreement)
9. Block 2, lots 9-12
10. Block 4, lots 39-40
11. Block 10, lots 1-40 ("R-2 subdivision")
12. Block 13, lots 12-16
13. Block 14, lots 21-28, 36-40
14. Block 38, lots 21-40
15. Block 39, lots 1-40
16. Shamrock Mining Claim, Patent No. 20389, west of West River Road
17. Smuggler Mining Claim, Patent No. 18913, west of West River Road
18. Hillside and Hillside No. 2 Mining Claims, Patent No. 23559
19. Little Maggie Mining Claim, Patent No. 27326, except that portion listed on Schedule X
20. All tracts and patented claims (or portions thereof) west of Highway 145, unless specifically listed on Schedules W, X or Z
21. Sam Patch Mining Claim, Patent No. 25545, west of West River Road
22. Yankee Boy Mining Claim, Patent No. 21107, west of West River Road
23. Home Mining Claim, Patent No. 25545, west of West River Road
24. N.A. Cowdry Mining Claim, Patent No. xx, mineral survey 6317

Schedule "Z" (50% / 50%)

1. Roy's Tract
2. Eastern half of Block 20 (a/k/a Atlantic Cable, Patent No. 8072)
3. Every Patented Claim, or portions thereof, except those listed on Schedules X and Y, east of the Dolores River, with "significant environmental liability." For purposes hereof, the term "significant environmental liability" shall mean environmental liability, the liquidated amount of which (as determined by a recognized environmental consulting firm chosen by RRLLC) exceeds the fair market value (as determined by an MAI-certified appraiser chosen by RRLLC) of such patented claim, determined as if there were no environmental liability. If Rico LLC and RRLLC cannot agree whether a particular patented claim has significant environmental liability, as defined herein, then that question, and that question alone, shall be determined by an independent arbiter in accordance with the rules of the American Arbitration Association.
4. Those portions of the Block 24 (Van Winkle Head Frame) that are developable into home sites

EXHIBIT WD-RIC-2

A tract of land referred to as "Group Tract" located within Townsite of Rico more particularly described as follows: Beginning at the Northeast Corner on line 16-17 in the Townsite of Rico; thence South 10 degrees West 676 feet to the Southeast corner which is also Corner No. 17 of Rico Townsite; thence West 1021.8 feet to the Southwest corner, a post in line 1-2 of the Pasadena Reduction Company Tract; thence North 1 degrees 52 minutes West 1052.6 feet to Northeast Corner of J.M. Acker or Winkfield claim; thence North 4 degrees 3 minutes West 100 feet to the Northwest corner, a post, thence North 87 degrees 54 minutes East 153.8 feet to a post in the center of River Street; thence South 2 degrees 6 minutes East 350 feet along the center line of River Street to a post; thence South 87 degrees 54 minutes West 30 feet to a post on the west line of River Street; thence South 2 degrees 6 minutes East 600 feet along the West line of River Street to a post; thence North 87 degrees 54 minutes East 476 feet to the Southeast Corner of Block 38; thence North 2 degrees 6 minutes West 560 feet to the Southeast Corner of Lot 21, Block 10; thence North 87 degrees 54 minutes East 116 feet to the Southeast Corner of Block 10; thence North 2 degrees 6 minutes West 54 feet to a post; thence South 68 degrees 42 minutes East 486.1 feet to the place of beginning.

AND

Little Ada North Tract as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

County of San Miguel,
State of Colorado.

WD - RIC - 3

beginning.

AND

A tract of land referred to as "Rico Smelting Co. Tract" located within Townsite of Rico more particularly described as follows: Commencing at the Southeast Corner of tract conveyed to J.M. Acker by Mayor of Rico in Deed recorded in Book 10 at page 293; thence South 10° West 270 feet; thence North 80° West 400 feet; thence North 10° East 270 feet; thence South 80° East 400 feet to place of beginning.

Exhibit
WD-RIC-4

Pasadena Reduction Company Tract, as described in documents recorded in Book 66 at page 109, Book 57 at page 333, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

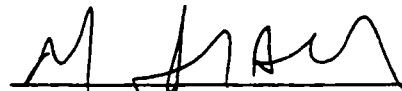
Deeds of Rico Properties LLC
Members conveying their
Rico Properties LLC interests to
STAN FOSTER + his UNCLE

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 30.268%, hereby transfers, conveys and assigns 29.268% of its membership interest to Stanley A. Foster and 1% of said membership interest to Forrest D. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.

THE JJRC, LIMITED LIABILITY COMPANY



BY: M. Jack Duksin, Manager

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 5.765%, hereby transfers, conveys and assigns 5.765% of its membership interest to Stanley A. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.



RICHARD M. THEILE

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 20.179%, hereby transfers, conveys and assigns 20.179% of its membership interest to Stanley A. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.

BAK, LLC


BY: ~~Bill Baird, Manager~~ *Authorized*

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 20.179%, hereby transfers, conveys and assigns 20.179% of its membership interest to Stanley A. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.

TWIN CITY DEVELOPMENT LLC


BY: Curtis Swanky, Manager

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 20.179%, hereby transfers, conveys and assigns 20.179% of its membership interest to Stanley A. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.

TWIN CITY DEVELOPMENT LLC


BY: Curtis Swanky, Manager

DEED OF CONVEYANCE OF MEMBERSHIP INTEREST
IN LIMITED LIABILITY COMPANY

RICO PROPERTIES LIMITED LIABILITY COMPANY

In consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and in accordance with the terms of the Restructuring Agreement, effective November 11, 1994, the undersigned, presently being a member of the Rico Properties Limited Liability Company and having a membership interest of 20.179%, hereby transfers, conveys and assigns 20.179% of its membership interest to Stanley A. Foster, together with, for Colorado State law purposes, all right, title and interest, duties and obligations arising from or attributable to said membership interest.

SILVERCREEK LAND COMPANY LLC


BY: Michael Hines, Manager

Rico Renaissance LLC
OPERATING AGREEMENT

OPERATING AGREEMENT

FOR

RICO RENAISSANCE LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT is made and entered into as of November 11, 1994 by Richard M. Theile, The JJRC Limited Liability Company, a Colorado limited liability company (hereinafter "JJRC"), Silvercreek Land Company, L.L.C., a Georgia limited liability company (hereinafter "Silvercreek"), Twin City Development, L.L.C., an Arizona limited liability company (hereinafter "Twin City"), and BAK LLC, a Colorado limited liability company (hereinafter "BAK") (referred to as the "members" and individually as a "member").

The members desire to form a limited liability company pursuant to the laws of the State of Colorado. Accordingly, in consideration of the mutual covenants contained herein, they agree and certify as follows:

ARTICLE I THE LIMITED LIABILITY COMPANY

1.1 Formation. The members hereby form a limited liability company (the "Company") subject to the provisions of the Colorado Limited Liability Company Act as currently in effect (the "Act").

1.2 Filing. In connection with the execution of this Operating Agreement, the members shall cause articles of organization that comply with the requirements of the Act to be properly filed with the Colorado Secretary of State and Commercial Code, and shall execute such further documents (including amendments to the articles of organization) and take such further action as is appropriate to comply with the requirements of law for the formation or operation of a limited liability company in all states and counties where the Company may conduct its business.

1.3 Name. The name of the Company shall be Rico Renaissance Limited Liability Company.

1.4 Registered Office, Registered Agent. The location of the registered office of the Company shall 747 W. Pacific Ave., P.O. Box 1204, Telluride, Colorado 81435 and thereafter at such other location as the members may designate. The Company's registered agent at such address shall be M. Jack Duksin.

1.5 Events of Dissolution. The Company shall continue until December 31, 2025, unless sooner dissolved by:

(a) the affirmative vote of members whose interests in capital as defined in Article 2.2 equals 100% of all Interests in Capital;

(b) any event which makes it unlawful for the business of the Company to be carried on by the members;

(c) the death, retirement, resignation, expulsion, bankruptcy or dissolution of a member or the occurrence of any other event that terminates the continued membership of a member in the Company (except for the assignment by Bill Baird, as contemplated by Section 1.11); or

(d) any other event causing a dissolution of a limited liability company under the Act.

1.6 Continuance of the Company. Notwithstanding the foregoing provisions of Article 1.5, upon the occurrence of an event described in Article 1.5(c), if there are at least two remaining members, the remaining members have the right to continue the business of the Company. Such right can be exercised only by the affirmative unanimous vote of the remaining members, within 90 days after the occurrence of an event described in Article 1.5(c), to continue the business of the Company. If not so exercised, the right of the members to continue the business of the Company shall expire and the Company's affairs shall be wound up as provided in Article 8.

1.7 Management of Business. The name and place of residence of each manager are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|--|
| Richard M. Theile | 213 West Colorado Avenue, P.O. Box 725, Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| M. Jack Duksin | 747 W. Pacific Ave. P.O. Box 1204 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| Curtis Swanky | 11811 N. Tatum Blvd. Suite 4050 Phoenix, AZ 85028 Fax No. (602) 953-6526 |
| Michael Hines | c/o Consolidated Planning Corporation 400 Colony Square - Suite 525 Atlanta, Georgia 30361 Fax No. (404) 892-1970 |
| Bill Baird | c/o Mountain Village Construction P.O. Box 1260 |

Telluride, Colorado 81435
Fax No. (813) 561-1698

These managers shall serve for a one year term, unless they sooner resign, are removed or replaced. At all times throughout the term of this agreement, only JJRC or its successor(s) collectively shall be entitled to remove and designate a replacement for M. Jack Duksin and his successor; only Silvercreek or its successor(s) collectively shall be entitled to remove and designate a replacement for Michael Hines and his successor; only Twin City or its successor(s) collectively shall be entitled to remove and designate a replacement for Curtis Swanky and his successor; only BAK or its successor(s) collectively shall be entitled to remove and designate a replacement for Bill Baird and his successor; only Richard M. Theile or his successor(s) collectively shall be entitled to remove and designate a replacement for Richard M. Theile and his successor.

1.8 Business. The business of the Company shall be:

(a) To carry on the real estate business. To obtain options to acquire and to acquire by purchase, real property located in and around Rico, Colorado, pursuant to the purchase agreement annexed hereto, and interests of all kinds therein, and (i) to hold, own, develop, improve, manage, operate, let as lessor or sublessor, and mortgage such property; (ii) to sell and exchange such property and interests therein; (iii) to obtain, use, dispose of and deal in and with such property in every other manner, either alone or in conjunction with others, as partners, joint venturers or otherwise; and (iv) to carry on the business of finder, consultant and all other functions in connection therewith.

(b) To transact other business. To transact any and all other businesses for which limited liability companies may be formed under Colorado law.

(c) To act on own account or for others. To accomplish any of the foregoing purposes for its own account or as nominee, agent or trustee for others.

(d) Vote of Managers. The vote of the Managers shall be calculated based on the Interest in Capital of the members collectively who have appointed them; ie, M. Jack Duksin voting on behalf of JJRC (31.343%), Curtis Swanky voting on behalf of Twin City (20.895%), Michael Hines voting on behalf of Silvercreek (20.895%), Bill Baird voting on behalf of BAK (20.895%), and Richard M. Theile voting on behalf of himself (5.972%).

1.9 Principal Place of Business. The location of the principal place of business of the Company shall be at c/o the offices of Richard M. Theile, 213 West Colorado Avenue, Telluride, Colorado 81435, or at such other place as the Managers from time to time may select.

1.10 The Members. The name and place of residence of each member are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Richard M. Theile | 213 West Colorado Ave. P.O. Box 725 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| JJRC | 747 W. Pacific Ave. P.O. Box 1204 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| Silvercreek | c/o Consolidated Planning Corporation 400 Colony Square Suite 525 Atlanta, Georgia 30361 Fax No. (404) 892-1970 |
| Twin City | c/o Curtis Swanky 11811 N. Tatum Blvd. Suite 4050 Phoenix, AZ 85028 |
| BAK | c/o Mountain Village Construction P.O. Box 1260 Telluride, Colorado 81435 Fax No. (303) 728-3662 |

1.11 New Members. New members may be admitted only upon such terms and conditions as all the then existing members by unanimous consent may so determine. Upon execution of a counterpart of this Agreement by such successor(s), such successor(s) shall automatically be admitted to membership without further action, except that this Agreement will be amended to reflect such new members and their respective Interests in Capital.

ARTICLE II CAPITAL CONTRIBUTIONS

2.1 Initial Contributions. The members initially shall contribute to the Company's capital the following amounts in the manner hereinafter described:

| | | |
|-----|-------------------|------------|
| (a) | JJRC | \$525,000; |
| (b) | Twin City | \$350,000; |
| (c) | Silvercreek | \$350,000; |
| (d) | Richard M. Theile | \$100,000; |
| (e) | BAK | \$350,000. |

2.2 Interests in Capital. The interests of the members in the capital originally contributed to the Company are as follows:

| <u>Name</u> | <u>Interest in Capital</u> |
|-------------------|----------------------------|
| Silvercreek | 20.895% |
| Twin City | 20.895% |
| Richard M. Theile | 5.972% |
| JJRC | 31.343% |
| BAK | 20.895% |

2.3 Additional Contributions. Except as provided in Article 6.2, no member shall be obligated to make any additional contribution to the Company's capital.

2.4 Vote of Members. For purposes of this agreement, any majority vote of the members shall require a majority in interest, calculated according to the members' Interests in Capital set forth in Section 2.2.

ARTICLE III PROFITS, LOSSES AND DISTRIBUTIONS

3.1 Profits and Losses. All of the Company's net profits or net losses and net distributable cash shall be determined on an annual basis and shall be allocated to the members in proportion to their Sharing Ratios. The "Sharing Ratio" of each member is set forth below opposite his name:

| <u>Name</u> | <u>Sharing Ratio</u> |
|-------------------|----------------------|
| Silvercreek | 20.895% |
| Twin City | 20.895% |
| Richard M. Theile | 5.972% |
| JJRC | 31.343% |
| BAK | 20.895% |

3.2 Distributions. Annually or at more frequent intervals as the members may by majority vote determine, the Managers shall distribute available funds to the members, in proportion to their Sharing Ratios. "Available funds" for this purpose means the Company's gross cash receipts, less the Company's expenditures, and less the amount that, in the Managers' reasonable judgment, the Company should retain in order to fulfill its business purposes.

ARTICLE IV MANAGEMENT

4.1 Members. The liability of the members shall be limited as provided in the Colorado Limited Liability Company Act.

4.2 Powers of Managers.

(a) Subject to Articles 4.2(b) and (c) below, Richard M. Theile is primarily responsible for all aspects of project management and running the day to day business of the Company.

(b) The Managers, acting only by a favorable vote of Managers who have been appointed by members collectively representing at least 68% of the Interests in Capital, are authorized on the Company's behalf to make all decisions as to (a) the sale or other disposition of substantially all of the Company's assets in a single transaction or a series of related transactions; (b) the improvement and development of the Company's assets; (c) the purchase or other acquisition of other assets of all kinds; (d) the resolution of significant or material issues regarding the management of all or any part of the Company's assets; (e) the borrowing of money and the granting of security interests in the Company's assets (including loans from members); (f) the prepayment, refinancing or extension of any mortgage affecting the Company's assets; (g) the compromise or release of any of the Company's claims or debts; and (h) the employment of persons, firms or corporations for the operation and management of the Company's business. Subject to the authority first obtained pursuant to the previous sentence or Section 4.2(c), in the exercise of his day to day management powers, Richard M. Theile is authorized, upon the signatures or express written authorization of Richard M. Theile and any one of the remaining four managers, to execute and deliver (a) all contracts, conveyances, assignments, leases, subleases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds for any one item, subject matter or related items or subject matter in excess of one thousand dollars (\$1,000) or such other amount as may be determined by a vote of Managers who have been appointed by members collectively representing at least 68% of the Interest in Capital from time to time (it being understood that Richard M. Theile may execute checks in an amount less than \$1,000 only with his signature without prior authorization); (c) all promissory notes, mortgages, deeds of trust, security agreements and other similar documents; and (d) all other instruments of any kind or character relating to the Company's affairs, whether like or unlike the foregoing.

(c) The Managers are authorized on the Company's behalf, acting by majority vote, to sell or otherwise dispose of less than substantially all of the Company's assets in the ordinary course of the Company's business.

4.3 Nominee. Title to the Company's assets shall be held in the Company's name or in the name of any nominee (including a Manager so acting) that the Managers may unanimously designate. The Managers shall have power acting unanimously to enter into, or to authorize one of the Managers to enter into, a nominee agreement

with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.4 Time Devoted to Business. Richard M. Theile shall devote such time to the business of the Company as is necessary for the efficient and successful operation of the Company's business. The Managers shall at all times be free to engage for their own account in all aspects of any other business or investment similar or dissimilar to the ones in which the Company is involved.

4.5 Information Relating to Company. Upon request, each Manager possessing information regarding the Company or its activities shall supply such information to any member. Each member or his authorized representative shall have access to and may inspect and copy all books, records and materials in any Manager's possession regarding the Company or its activities. The reasonable exercise of the rights contained in this Article 4.5 shall be at the Company's member's expense.

4.6 Exculpation. Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the members.

4.7 Records at Principal Place of Business. Richard M. Theile shall cause the Company to keep at its principal place of business the following:

(a) a current list in alphabetical order of the full name and last known business street address of each member;

(b) a copy of the stamped articles of organization and all certificates of amendment to them, together with executed copies of any powers of attorney pursuant to which any certificate of amendment has been executed;

(c) a complete and accurate current account of all receipts and disbursements, and of all current and long term accounts payable, accounts receivable and liabilities; and

(d) complete copies of all architectural drawings, construction specifications, and all other documents relating to the business of the Company, including proceedings before any governmental authority, and all contracts, invoices, etc.

4.8 Meetings of the Managers; Quorum. The Managers shall meet at least once a year on or about June 15 by teleconference or in person, and such other times as they deem necessary, upon no less than 72 hours prior written notice given by facsimile or otherwise. A quorum shall exist if Managers who have been appointed by members collectively representing at least 68% of the Interest in Capital are present, by telephone, or in person to

participate. A Manager may vote by proxy, provided such proxy is evidenced by a written authorization.

4.9 Legal Counsel. The members agree to retain M. Jack Duksin as the Company's initial general counsel, and to pay him according to his regular hourly rate, not to exceed \$250 per hour, plus disbursements. M. Jack Duksin may be removed as general counsel at any time after March 31, 1995 upon a vote to do so by members representing at least sixty-eight (68%) percent of the Interest in Capital.

ARTICLE V COMPENSATION

5.1 Management Fee. The members agree that the following Managers shall render the following services to the Company for which they shall be entitled to the following compensation:

- (a) Richard M. Theile
 - (i) Primary responsibility for all aspects of day to day project management: \$8,333.33 per month for the period November 11, 1994 through March 31, 1995. Thereafter, the members will by majority vote decide whether Mr. Theile will continue as the day-to-day manager, and whether and to what extent he will be compensated.
 - (ii) Listing brokerage commission (for the period November 11, 1994 through March 31, 1995. Thereafter, the members will by majority vote decide whether Mr. Theile will continue as the listing broker): 3 1/2 percent of sales price on all property sold, except property sold to any of the members (for which no commission shall be paid), unless such brokerage is reduced by agreement of a majority of the members in order to effect a sale, in which case the commission shall be the reduced amount; and
 - (iii) Sales brokerage commission: 3 1/2 percent of the sales price on all sales made by Mr. Theile, except those sold to any of the members (for which no commission shall be paid), unless such brokerage is reduced by agreement of a majority of members in order to effect a sale, in which case the commission shall be the reduced amount.

The Managers shall be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the business of the Company.

ARTICLE VI
CAPITAL ACCOUNTS

6.1 Books. As long as Richard M. Theile is responsible for all aspects of the day-to-day project management, he shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The Company's accounting period shall be the calendar year.

6.2 Additional Capital Contributions. No member shall be required to make any additional capital contributions unless approved by a favorable vote of (i) members holding at least a 68% Interest in Capital, and (ii) four out of five Managers. Notwithstanding the previous sentence, a member may nevertheless refuse to make an additional capital contribution, and in such event, his Interest in Capital and Sharing Ratio shall be proportionately reduced (diluted) to account for the fact that other members contributed and he did not.

6.3 Capital Accounts. A separate Capital Account will be maintained for each member.

(a) Each member's Capital Account will be increased by:

- (i) The amount of money contributed by the member to the Company;
- (ii) The fair market value of property contributed by the member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under IRC §752);
- (iii) Allocations to the member of net profits and net losses; and
- (iv) Allocations to the member of income described in IRC §705(a)(1)(B).

(b) Each member's Capital Account will be decreased by:

- (i) The amount of money distributed to the member by the Company;
- (ii) The fair market value of property distributed to the member by the Company (net of liabilities secured by such distributed property that such member is considered to assume or take subject to under IRC §752);
- (iii) Allocations to the member of expenditures described in IRC §705(a)(2)(B); and

- (iv) Allocations to the account of the member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

(c) In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company (as defined in Article VII, hereof), the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treas. Reg. §1.704-1(b)(2)(iv).

(d) The manner in which Capital Accounts are to be maintained pursuant to this section 6.3 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this section 6.3 should be modified to comply with IRC §704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section 6.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the members.

(e) Upon liquidation of the Company (or any member's Membership Interest or any Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the members and Economic Interest owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within 60 days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a member or Economic Interest owner whose interest is liquidated (either upon the withdrawal of the member or the liquidation of the Company) against the amount otherwise distributable to the member.

(f) Except as otherwise required in the Colorado Limited Liability Company Act (and subject to sections 6.1 and 6.2 above), no member or Economic Interest owner shall have any liability to restore all or any portion of a deficit balance in the member's or Economic Interest owner's Capital Account.

6.4 Withdrawal or Reduction of Members' Contributions to Capital. A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to members on account of their capital contributions, have been paid or there remains property of the Company sufficient to pay them.

6.5 Transfers During Year. To avoid an interim closing of the Company's books, the share of profits and losses under Article 3 of a member who transferred part or all of his interest in the Company during the calendar year shall be determined by taken his proportionate share of the amount of the profits and losses for the year. The Managers shall make the proration based on the portion of the calendar year that has elapsed prior to the transfer. The Managers shall allocate the balance of the profits and losses attributable to the transferred interest to the transferee of such interest.

6.6 Reports. The Managers shall close the books of account promptly after the close of each calendar year, and shall prepare and send to each member a statement of such member's distributive share of income and expense for federal income tax reporting purposes.

6.7 Overriding Allocations.

(a) Minimum Gain Chargeback. Subject to the exceptions set forth in Section 1.704-2(f) of the regulations, if there is a net decrease in partnership minimum gain (as defined in Section 1.704-2(d) of the regulations) during a fiscal year, each member shall be specifically allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partnership minimum gain (which share of such net decrease shall be determined in accordance with Section 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(a) shall constitute a "minimum gain chargeback" as provided by Section 1.704-2(f) of the regulations.

(b) Chargeback of Nonrecourse Debt Minimum Gain. Subject to the exceptions set forth in Section 1.704-2(i)(4) of the regulations, if there is a net decrease in partner nonrecourse debt minimum gain (as defined in Section 1.704-2(i)(2) of the regulations) during a fiscal year attributable to a partner nonrecourse debt (as defined in Section 1.704-2(b)(4) of the regulations), each member with a share of partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Section 1.704-2(i)(5) of the regulations, shall be specially allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partner nonrecourse debt (which share of such net decrease shall be determined under Sections 1.704-2(i)(4) and 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(b) shall constitute a "chargeback of partner nonrecourse debt minimum gain" as provided by Section 1.704-2(i)(4) of the regulations.

(c) Nonrecourse Deductions. Any partner nonrecourse deductions (as defined in Section 1.704-2(i)(2) of the regulations) for any fiscal year or other period shall be allocated to the member who bears the economic risk of loss (as such term is defined

in Sections 1.704-2(b)(4) and 1.752-2 of the regulations) with respect to the loan to which such partner nonrecourse deductions are attributable in accordance with Section 1.704-2(i)(1) of the regulations.

(d) Qualified Income Offset. Notwithstanding anything to the contrary herein, except for the provisions of this Section 6.7 set forth below, in the event that a member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the regulations, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to the member in the manner required by Section 1.704-1(b)(2)(ii)(d) of the regulations to eliminate, to the extent required thereby, the deficit in the capital account of such member as quickly as possible. It is intended that this Section 6.7(d) constitutes a "qualified income offset" as provided by Section 1.704-1(b)(2)(ii)(d)(3) of the regulations.

(e) Savings Provision. Notwithstanding anything to the contrary herein, if the allocation of any item of income, gain, loss, deduction, expenditure or credit under this agreement does not have substantial economic effect under Section 1.704-1(b)(2) of the regulations and is not in accordance with the members' interests in the Company within the meaning of Section 1.704-1(b)(3) of the regulations, then such item shall be reallocated in such manner as to (A) either have substantial economic effect or to be in accordance with the members' interests in the Company and (B) result as nearly as possible (consistent with clause (i)) in the respective balances of the Capital Accounts that would have resulted if such item had instead been allocated hereunder without regard to this Section 6.7.

6.8 Working Capital Loan. The members hereby authorize the Company to obtain a working capital loan in its own name (or to guaranty such loan if obtained by another entity) from the Bank of Telluride in an amount of up to \$700,000. The members each agree that, if the Bank of Telluride requires that each of them sign a joint and several guarantee of collection (that is, a guarantee whereby the Bank will proceed against the guarantors only after the Bank fully pursues all remedies against the Rico property which will serve as collateral for such loan) that they each shall promptly do so, provided that if the member is a limited liability entity, then such entity shall cause one or more owners of such entity to execute such guaranty whereby such owner or owners shall be liable under the guaranty in proportion to such member's proportionate Interest in Capital. Each member agrees that, if and to the extent such member pays more than his pro-rata portion of such loan pursuant to such guaranty, or otherwise, (determined by his Interest in Capital) then he shall have an absolute right of contribution from all other guarantors and/or members based on their respective proportionate interest in the loan.

ARTICLE VII
TRANSFERS OF A MEMBER'S MEMBERSHIP
INTEREST OR MEMBER'S ECONOMIC INTEREST

7.1 Restrictions.

(a) General. Except for transfers by Bill Baird contemplated by Section 1.11, no sale, transfer, assignment, exchange or other disposition of any member's interest in the Company ("Membership Interest") may be made if such sale, transfer, assignment, exchange or other disposition would violate or not comply with any of the provisions of this Article VII. In no event shall all or any part of the Membership Interest of a member be assigned or transferred to a minor (other than to a member of a member's immediate family by reason of the death of a member pursuant to Sections 7.3 and 7.4 hereof) or to an incompetent. The Managers may, in addition to any other requirement it may impose, require as a condition of sale, transfer, assignment, exchange or other disposition of any Membership Interest by a member, that the transferor (i) assume all costs incurred by the Company in connection therewith, and (ii) furnish the Company with an opinion of counsel satisfactory to the Company to the effect that such sale, transfer, exchange or other disposition (a) is permissible under this Agreement, (b) will not operate to terminate the Company for federal income tax purposes, (c) does not violate the Securities Act of 1933, as amended, or any other applicable federal or state securities laws or the rules and regulations promulgated thereunder, (d) will not cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, and (e) does not have any adverse effect on any exemption from registration or qualifications for the sales of Company interests under applicable securities laws.

(b) Compliance With Code. Notwithstanding any other provisions of this Agreement, no sale or exchange of any Membership Interest may be made (i) if the Membership Interest sought to be sold or exchanged, when added to the total of all other membership interests sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Company under Section 708 of the Internal Revenue Code of 1986, as amended (or any successor statute), or (ii) if any such sale, transfer, assignment, exchange or other disposition would cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, unless, in either instance, approved by a unanimous vote of the members. A sale or exchange shall not be deemed to have such effect if, prior to the date of transfer, a ruling of the Internal Revenue Service (or its successors) to the effect that such proposed sale or exchange will not result in such termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring member or the Company upon the application and at the expense of the member desiring to sell or exchange his Membership Interest.

(c) Securities Laws. Notwithstanding any other provision of this Agreement, no sale, transfer, exchange or other disposition of any membership interest may be made except in compliance with all applicable federal and state securities laws and the rules and regulations of each governmental authority having jurisdiction over such disposition. No member shall sell or otherwise dispose of his Company interest, or any interest therein, without registration under the Securities Act of 1933, as amended, or the availability of an exemption from registration under such Act.

(d) Violation. Any sale, transfer, assignment, exchange or other disposition in contravention of any of the provisions of this Section 7.1 or any other provisions of this Agreement shall be void and ineffectual and shall not bind or be recognized by the Company.

7.2 Right of First Refusal.

(a) Offer to Members. A member (hereinafter in this Section referred to as the "Selling Member") may not, except as provided in Section 7.2(d) and 7.3 of this Agreement, sell, transfer, alienate, assign, give, bequeath or otherwise dispose of all or any portion of his Membership Interest, whether voluntarily or by operation of law or at a judicial sale or otherwise, to any person without first offering the same for a period of 30 days to the members at a price and upon terms no less favorable than those which the Selling Member is willing to accept from a third party (as evidenced by a bona fide offer received from such third party by such Selling Member). Such offer by a Selling Member to sell to the other members shall be in writing and shall contain a statement setting forth the price and terms offered by, and the name and address of, such third party.

(b) Acceptance by Members. Within 30 days after receipt of such written offer, the members may accept such offer in writing with respect to all or a portion of the Membership Interest being offered by the Selling Member, in which case the Selling Member and the other members shall, subject to the provisions of Section 7.1, promptly consummate such sale. In the event that two or more members desire to purchase the Membership Interest of the Selling Member and are unable to agree as to the apportionment thereof, each such member shall be entitled to purchase that portion of the Selling Member's Membership Interest which bears to the entire Selling Member's Membership Interest the same ratio which his Membership Interest bears to the aggregate of the membership interests of all the members desiring to purchase such Selling Member's membership interest.

(c) Offer and Sale to Other Persons. If, within such 30-day period, the members have not agreed to purchase on the terms and conditions above provided, all or a portion of the Membership Interest being offered by the Selling Member, the Selling Member may, subject to the provisions of Section 7.1 hereof, within 45

days from the date of expiration of such 30-day period, transfer his Membership Interest (or that portion of his Membership Interest not purchased by the remaining members) to such third party at a price not less than the price, and on terms not less favorable to the Selling Member than the terms, at which such Membership Interest was offered to the other members. If such Membership Interest is not so disposed of within such period of 45 days, the Selling Member shall, before the disposition of his Membership Interest, again be obligated to offer it first to the other members pursuant to this Section 7.2.

(d) Method of Payment. The purchasing members shall pay for the selling member's Membership Interest in cash within 60 days after notifying the selling member of the exercise of their right to purchase such interest.

(e) Application to Trustees, Executors, Administrators and Guardians. The provisions of Sections 7.2(a), 7.2(b) and 7.2(c) shall not apply to any transfer or assignment of the Membership Interest of a bankrupt, deceased, dissolved or incompetent member to the trustee, executor, administrator or guardian of his estate, or to any transfer to a designated assignee as provided in Section 7.3 hereof, but said provisions shall thereafter apply to such trustee, executor, administrator, guardian or designated assignee to the same extent that (i) such person becomes a substitute member pursuant to Section 7.4, and (ii) under the circumstances of any particular transfer, sale, alienation, assignment, gift, bequest or other disposition, such provision would have applied to the bankrupt, deceased, dissolved or incompetent member.

7.3 Death or Incompetency. A member may, by written testamentary instrument, designate any one or more of his immediate family to become the assignee or assignees of his Membership Interest as a member immediately upon his death. Any such designation must be filed with the Managers during such member's lifetime. Such designation may be revoked from time to time and a new such designation made and so filed with the Managers. If a member dies, such person or entity as he may have designated by duly executed testamentary instrument signed by him and delivered to the Managers before or after his death or, if he has made no such designation, his executor or administrator shall succeed to his interest in the profit or loss and capital of the Company (the "Economic Interest"). If a member shall be adjudicated insane, incompetent or incapacitated, his committee, guardian or conservator shall succeed to such Economic Interest. No such successor shall have any right to participate in the management of the Company, except as provided in Section 7.4. Notwithstanding any other provisions of this Section 7.3, the Company need not recognize such designated assignee or assignees until (i) duly notified in writing of the death of the assignor member, and (ii) furnished with an opinion of counsel acceptable to the Company to the effect that such designation is valid under applicable laws of descent and distribution.

7.4 Substitution of Transferee as Member. Except for transfers by Bill Baird, contemplated by Section 1.11, a member and an owner may not sell, assign or otherwise dispose of all or any part of his Membership Interest or Economic Interest in the Company except as otherwise provided in Articles 7.1, 7.2 and 7.3. No transferee, or the legal representative of a member, shall become a substitute member without the unanimous consent of the non-transferring members. In the event that such a consent is not granted, (i) the transferee shall have no right to participate in the management of the business and affairs of the Company and shall be entitled only to receive the share of profits or losses and the return of contributions to which that member would otherwise be entitled, and (ii) the remaining member's respective Interests in Capital shall be increased - for voting purposes only - to allocate what would be the non-participating transferee's voting percentage (based on his Interest in Capital) among the remaining members on a pro rata basis in proportion to such remaining member's relative Interests in Capital. As conditions to his admission as a substitute member (a) any transferee, or the legal representative of the member, shall execute and deliver such instruments, in form and substance satisfactory to the Managers, as the Managers shall deem necessary or desirable to cause him to become a substitute member, and (b) such transferee, or legal representative, shall pay all reasonable expenses in connection with his admission as a substitute member, including but not limited to, the cost of preparation and filing of any amendment of the Operating Agreement or the Articles of Organization necessary to desirable in connection therewith.

7.5 Authority of Managers. Subject to and upon the terms set forth in this Article 7 and Article 1.11, the Managers are authorized (a) to admit substitute members; (b) to exercise the power of attorney granted in Article 9 to amend this Operating Agreement or the articles of organization to reflect such substitution; and (c) to file any such amendment in the appropriate depositories.

7.6 Tax Allocations and Cash Distributions. If a Membership Interest is transferred, the Net Profit or Net Loss allocable, and Cash Flow distributable, to the holder of such Membership Interest for the then Fiscal Year shall be allocated proportionately among the transferor and the transferee based upon the number of calendar days during such Fiscal Year for which each party was the owner of the transferred Membership Interest. However, if such parties agree that such Net Profit or Net Loss and Cash Flow are to be allocated and distributed based upon an interim closing of the Company books, and such parties agree to pay all expenses incurred by the Company in connection therewith then all such Net Profits or Net Losses and cash shall be allocated and distributed among the transferor and the transferee based upon an interim closing of the Company's books and records.

ARTICLE VIII
DISSOLUTION AND TERMINATION

8.1 Final Accounting. In case of the Company's dissolution, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution, by an independent accounting firm.

8.2 Liquidation. Upon the Company's dissolution and the failure of the remaining members to continue the Company as provided in Article 1.6, the Managers or some person selected by a majority in number of the members shall act as liquidator to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the Company's affairs in an orderly and prudent manner. The liquidator shall distribute all proceeds from liquidation to the members in proportion to their Sharing Ratios.

8.3 Distribution in Kind. If the members shall unanimously determine that a portion of the Company's assets should be distributed in kind to the members, the liquidator shall distribute such assets to them, in conjunction with all other distributions, in proportion to their Sharing Ratios.

8.4 Cancellation of Certificate. Upon the completion of the distribution of Company assets, the Company shall be terminated and the members shall cause the Company to execute articles of dissolution and take such other actions as may be necessary to terminate the Company.

ARTICLE IX
POWERS OF ATTORNEY

9.1 Appointment of Managers. Each member by his execution hereof does irrevocably constitute and appoint each Manager, with full power of substitution, as his true and lawful attorney, in his name, place and stead to file articles of organization with the appropriate depositories and to execute, acknowledge, swear to and file (a) all amendments to this Operating Agreement or to the articles of organization required by law or authorized or required by the provisions of this Operating Agreement or the articles of organization; (b) all certificates and other instruments necessary to qualify or continue the Company as a limited liability company wherein the members have limited liability in the states where the Company may be doing business; and (c) all conveyances and other instruments necessary to effect the Company's dissolution and termination.

9.2 Irrevocable. The powers of attorney granted herein shall be deemed to be coupled with an interest and shall be irrevocable and survive the death or incompetency of the members. In the event of any conflict between this Operating Agreement and any instruments filed by such attorney pursuant to the power of

attorney granted in this section, this Operating Agreement shall control.

ARTICLE X AMENDMENT TO AGREEMENT

Amendments to this Operating Agreement and to the articles of organization that are of an inconsequential nature (as determined by the Managers) and do not affect the rights of the other members in any material respect, or that are contemplated by this Operating Agreement and to the articles of organization (including without limitation those contemplated by Article 7.4), may be made by the Managers through the exercise of the powers of attorney granted in Article 9. Any other amendment to this Operating Agreement and to the articles of organization may be proposed to the members by the Managers. The Managers shall submit to the members any such proposed amendment and the recommendation of the Managers as to its adoption. A proposed amendment shall become effective at such time as it has been approved in writing by all members, except that Article VII may be amended by approval of at least a sixty-eight (68%) percent vote of the members, calculated in accordance with their Interests in Capital.

ARTICLE XI NOTICES AND CONSENTS

11.1 Method for Notices. All notices and consents hereunder shall be sent by facsimile or first class mail, postage prepaid, and addressed as set forth in Article 1.10 above (except that any member may from time to time give notice changing his address for such purpose) and shall be effective on the date of receipt or on the fifth day after mailing, whichever is earlier.

11.2 Computation of Time. In computing any period of time under this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE XII GENERAL PROVISIONS

12.1 Entire Agreement. This Operating Agreement (a) contains the entire agreement among the parties, (b) except as provided in Article 10, may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, (c) shall be construed in accordance with, and governed by, the laws of Colorado, (d) may be executed in counterparts, and (e) shall be binding upon and shall inure to the benefit of the parties and

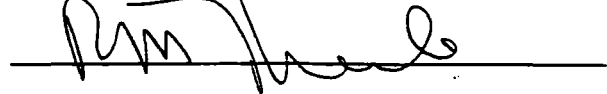
their respective personal representatives, successors and assigns, except as above set forth.

12.2 Construction Principles. Words in any gender shall be deemed to include the other genders. The singular shall be deemed to include the plural and vice versa. The headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of this Operating Agreement.

IN WITNESS WHEREOF, the members acknowledge under penalties of perjury that the matters and facts set forth in this Operating Agreement are true and that they have signed this Operating Agreement on the respective dates set forth below to be effective as of the date first above written.

MEMBERS:

RICHARD M. THEILE



JJRC LIMITED LIABILITY COMPANY



By: M. Jack Duksin

SILVERCREEK LAND COMPANY, L.L.C.

By: Michael Hines, Member

TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Member

BAK, L.L.C.

By: Bill Baird, Member

their respective personal representatives, successors and assigns, except as above set forth.

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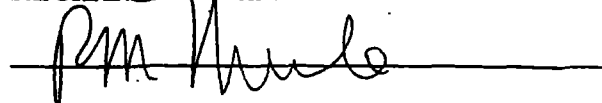
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SILVERCREEK LAND COMPANY, L.L.C.

By: Michael Hines, Member

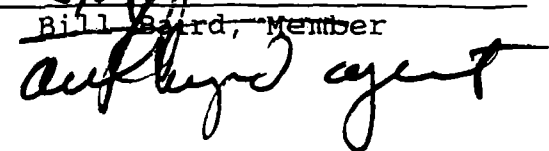
TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Member

BAK, L.L.C.



By: Bill Baird, Member



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MEMBERS:

RICHARD M. THEILE

JJRC LIMITED LIABILITY COMPANY

By: M. Jack Duksin

SILVERCREEK LAND COMPANY, L.L.C.

By: Michael Hines, Member

TWIN CITY DEVELOPMENT, L.L.C.

By: Curtis Swanky, Member

BAK, L.L.C.

By: Bill Baird, Member

STATE OF Arizona)
COUNTY OF Maricopa) SS.:

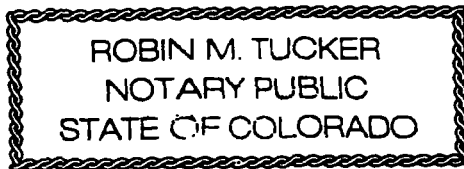
on this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix AZ and that he is a member of Twin City Development, L.L.C., and that he executed the foregoing Operating Agreement.


Susan Featherston
Notary Public



STATE OF Colorado)
COUNTY OF San Miguel) ss.:

On this 9th day of November, 1994, before me personally came Richard M. Theile, to me personally known, who, being by me duly sworn, did depose and say that he resides at Telluride and that he executed the foregoing Operating Agreement.

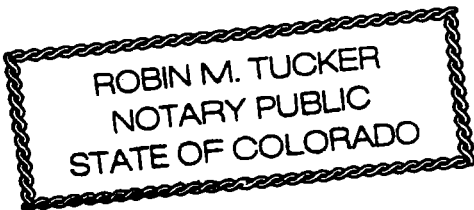



Notary Public
My Commission expires:
06/26/96

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

David I. Hoffman as agent for
BAK, LLC

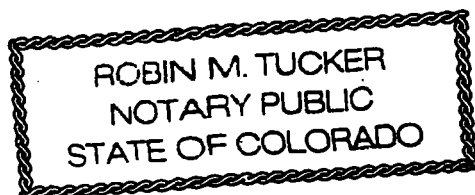
On this 7th day of November, 1994, before me personally came Bill Baird, to me personally known, who, being by me duly sworn, did depose and say that he resides at Telluride and that he executed the foregoing Operating Agreement.




[Signature]
Notary Public
my commission expires:
06/26/96

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

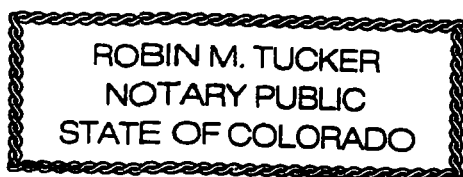
On this 9th day of November, 1994, before me personally came Richard M. Theile, to me personally known, who, being by me duly sworn, did depose and say that he resides at Telluride and that he executed the foregoing Operating Agreement.





Notary Public
my commission expires:
06/26/96

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

On this 9th day of November, 1994, before me personally came M. Jack Duksin, to me personally known, who, being by me duly sworn, did depose and say that he resides at 60 West 66th Street, New York, New York 10023 and that he is a member of the JJRC Limited Liability Company and that he executed the foregoing Operating Agreement.




Notary Public
My commission expires:
06/26/96

STATE OF

Arizona

COUNTY OF

Maricopa

)
) ss.:
)

On this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix Az and that he is a member of Twin City Development, L.L.C., and that he executed the foregoing Operating Agreement.

Susan Featherston
Notary Public



Rico Advisory LLC
Operating Agreement

OPERATING AGREEMENT
FOR
RICO ADVISORY LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT is made and entered into as of November 11, 1994 by Richard M. Theile, M. Jack Duksin, Curtis Swanky, Michael Hines and Bill Baird (referred to as the "members" and individually as a "member").

The members desire to form a limited liability company pursuant to the laws of the State of Colorado. Accordingly, in consideration of the mutual covenants contained herein, they agree and certify as follows:

ARTICLE I
THE LIMITED LIABILITY COMPANY

1.1 Formation. The members hereby form a limited liability company (the "Company") subject to the provisions of the Colorado Limited Liability Company Act as currently in effect (the "Act").

1.2 Filing. In connection with the execution of this Operating Agreement, the members shall cause articles of organization that comply with the requirements of the Act to be properly filed with the Colorado Secretary of State and Commercial Code, and shall execute such further documents (including amendments to the articles of organization) and take such further action as is appropriate to comply with the requirements of law for the formation or operation of a limited liability company in all states and counties where the Company may conduct its business.

1.3 Name. The name of the Company shall be Rico Advisory Limited Liability Company.

1.4 Registered Office, Registered Agent. The location of the registered office of the Company shall 213 W. Colorado Ave., P.O. Box 725, Telluride, Colorado 81435 and thereafter at such other location as the members may designate. The Company's registered agent at such address shall be Richard M. Theile.

1.5 Events of Dissolution. The Company shall continue until December 31, 2025, unless sooner dissolved by:

(a) the affirmative vote of members whose interests in capital as defined in Article 2.2 equals 100% of all Interests in Capital;

(b) any event which makes it unlawful for the business of the Company to be carried on by the members;

(c) the death, retirement, resignation, expulsion, bankruptcy or dissolution of a member or the occurrence of any other event that terminates the continued membership of a member in the Company; or

(d) any other event causing a dissolution of a limited liability company under the Act.

1.6 Continuance of the Company. Notwithstanding the foregoing provisions of Article 1.5, upon the occurrence of an event described in Article 1.5(c), if there are at least two remaining members, the remaining members have the right to continue the business of the Company. Such right can be exercised only by the affirmative unanimous vote of the remaining members, within 90 days after the occurrence of an event described in Article 1.5(c), to continue the business of the Company. If not so exercised, the right of the members to continue the business of the Company shall expire and the Company's affairs shall be wound up as provided in Article 8.

1.7 Management of Business. The name and place of residence of each manager are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|--|
| Richard M. Theile | 213 West Colorado Avenue, P.O. Box 725, Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| M. Jack Duksin | 747 W. Pacific Ave. P.O. Box 1204 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| Curtis Swanky | 11811 N. Tatum Blvd. Suite 4050 Phoenix, AZ 85028 Fax No. (602) 953-6526 |
| Michael Hines | c/o Consolidated Planning Corporation 400 Colony Square - Suite 525 Atlanta, Georgia 30361 Fax No. (404) 892-1970 |
| Bill Baird | c/o Mountain Village Construction P.O. Box 1260 Telluride, Colorado 81435 Fax No. (813) 561-1698 |

These managers shall serve for a one year term, unless they sooner resign, are removed or replaced.

1.8 Business. The business of the Company shall be:

(a) Consulting. To consult with Rico Renaissance Limited Liability Company and Rico Properties Limited Liability Company in accordance with the annexed consulting agreement.

(b) To transact other business. To transact any and all other businesses for which limited liability companies may be formed under Colorado law.

(c) To act on own account or for others. To accomplish any of the foregoing purposes for its own account or as nominee, agent or trustee for others.

(d) Vote of Managers. The vote of the Managers shall be calculated based on the Interest in Capital of the members.

1.9 Principal Place of Business. The location of the principal place of business of the Company shall be at c/o the offices of Richard M. Theile, 213 West Colorado Avenue, Telluride, Colorado 81435, or at such other place as the Managers from time to time may select.

1.10 The Members. The name and place of residence of each member are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Richard M. Theile | 213 West Colorado Ave. P.O. Box 725 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| M. Jack Duksin | 747 W. Pacific Ave. P.O. Box 1204 Telluride, Colorado 81435 Fax No. (303) 728-5417 |
| Michael Hines | c/o Consolidated Planning Corporation 400 Colony Square Suite 525 Atlanta, Georgia 30361 Fax No. (404) 892-1970 |
| Curtis Swanky | 11811 N. Tatum Blvd. Suite 4050 Phoenix, AZ 85028 |
| Bill Baird | c/o Mountain Village Construction P.O. Box 1260 Telluride, Colorado 81435 Fax No. (303) 728-3662 |

1.11 New Members. New members may be admitted only upon such terms and conditions as all the then existing members by unanimous consent may so determine. Upon execution of a counterpart of this Agreement by such successor(s), such successor(s) shall automatically be admitted to membership without further action, except that this Agreement will be amended to reflect such new members and their respective Interests in Capital.

ARTICLE II CAPITAL CONTRIBUTIONS

2.1 Initial Contributions. The members initially shall contribute to the Company's capital the following amounts in the manner hereinafter described:

| | |
|-----------------------|-----------------|
| (a) M. Jack Duksin | \$5.25 in cash; |
| (b) Curtis Swanky | \$3.50 in cash; |
| (c) Michael Hines | \$3.50 in cash; |
| (d) Richard M. Theile | \$1.00 in cash; |
| (e) Bill Baird | \$3.50 in cash. |

2.2 Interests in Capital. The interests of the members in the capital originally contributed to the Company are as follows:

| <u>Name</u> | <u>Interest in Capital</u> |
|-------------------|----------------------------|
| Michael Hines | 20.895% |
| Curtis Swanky | 20.895% |
| Richard M. Theile | 5.972% |
| M. Jack Duksin | 31.343% |
| Bill Baird | 20.895% |

2.3 Additional Contributions. Except as provided in Article 6.2, no member shall be obligated to make any additional contribution to the Company's capital.

2.4 Vote of Members. For purposes of this agreement, any majority vote of the members shall require a majority in interest, calculated according to the members' Interests in Capital set forth in Section 2.2.

ARTICLE III PROFITS, LOSSES AND DISTRIBUTIONS

3.1 Profits and Losses. All of the Company's net profits or net losses and net distributable cash shall be determined on an annual basis and shall be allocated to the members in proportion to

their Sharing Ratios. The "Sharing Ratio" of each member is set forth below opposite his name:

| <u>Name</u> | <u>Sharing Ratio</u> |
|-------------------|----------------------|
| Michael Hines | 20.895% |
| Curtis Swanky | 20.895% |
| Richard M. Theile | 5.972% |
| M. Jack Duksin | 31.343% |
| Bill Baird | 20.895% |

3.2 Distributions. Annually or at more frequent intervals as the members may by majority vote determine, the Managers shall distribute available funds to the members, in proportion to their Sharing Ratios. "Available funds" for this purpose means the Company's gross cash receipts, less the Company's expenditures, and less the amount that, in the Managers' reasonable judgment, the Company should retain in order to fulfill its business purposes.

ARTICLE IV MANAGEMENT

4.1 Members. The liability of the members shall be limited as provided in the Colorado Limited Liability Company Act.

4.2 Powers of Managers.

(a) Subject to Articles 4.2(b) and (c) below, Richard M. Theile is primarily responsible for all aspects of project management and running the day to day business of the Company.

(b) The Managers, acting only by a favorable vote of Managers representing at least 68% of the Interests in Capital, are authorized on the Company's behalf to make all decisions as to (a) the sale or other disposition of substantially all of the Company's assets in a single transaction or a series of related transactions; (b) the improvement and development of the Company's assets; (c) the purchase or other acquisition of other assets of all kinds; (d) the resolution of significant or material issues regarding the management of all or any part of the Company's assets; (e) the borrowing of money and the granting of security interests in the Company's assets (including loans from members); (f) the prepayment, refinancing or extension of any mortgage affecting the Company's assets; (g) the compromise or release of any of the Company's claims or debts; and (h) the employment of persons, firms or corporations for the operation and management of the Company's business. Subject to the authority first obtained pursuant to the previous sentence in the exercise of his day to day management powers, Richard M. Theile is authorized, upon the signatures or express written authorization of Richard M. Theile and any one of the remaining four managers, to execute and deliver (a) all contracts, conveyances, assignments, leases, subleases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets;

(b) all checks, drafts and other orders for the payment of the Company's funds for any one item, subject matter or related items or subject matter in excess of one thousand dollars (\$1,000) or such other amount as may be determined by a vote of Managers representing at least 68% of the Interest in Capital from time to time (it being understood that Richard M. Theile may execute checks in an amount less than \$1,000 only with his signature without prior authorization); (c) all promissory notes, mortgages, deeds of trust, security agreements and other similar documents; and (d) all other instruments of any kind or character relating to the Company's affairs, whether like or unlike the foregoing.

(c) The Managers are authorized on the Company's behalf, acting by majority vote, to sell or otherwise dispose of less than substantially all of the Company's assets in the ordinary course of the Company's business.

4.3 Nominee. Title to the Company's assets shall be held in the Company's name or in the name of any nominee (including a Manager so acting) that the Managers may unanimously designate. The Managers shall have power acting unanimously to enter into, or to authorize one of the Managers to enter into, a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.4 Time Devoted to Business. Richard M. Theile shall devote such time to the business of the Company as is necessary for the efficient and successful operation of the Company's business. The Managers shall at all times be free to engage for their own account in all aspects of any other business or investment similar or dissimilar to the ones in which the Company is involved.

4.5 Information Relating to Company. Upon request, each Manager possessing information regarding the Company or its activities shall supply such information to any member. Each member or his authorized representative shall have access to and may inspect and copy all books, records and materials in any Manager's possession regarding the Company or its activities. The reasonable exercise of the rights contained in this Article 4.5 shall be at the Company's member's expense.

4.6 Exculpation. Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the members.

4.7 Records at Principal Place of Business. Richard M. Theile shall cause the Company to keep at its principal place of business the following:

(a) a current list in alphabetical order of the full name and last known business street address of each member;

(b) a copy of the stamped articles of organization and all certificates of amendment to them, together with executed copies of any powers of attorney pursuant to which any certificate of amendment has been executed;

(c) a complete and accurate current account of all receipts and disbursements, and of all current and long term accounts payable, accounts receivable and liabilities; and

(d) complete copies of all architectural drawings, construction specifications, and all other documents relating to the business of the Company, including proceedings before any governmental authority, and all contracts, invoices, etc.

4.8 Meetings of the Managers; Quorum. The Managers shall meet at least once a year on or about June 15 by teleconference or in person, and such other times as they deem necessary, upon no less than 72 hours prior written notice given by facsimile or otherwise. A quorum shall exist if Managers representing at least 68% of the Interest in Capital are present, by telephone, or in person to participate. A Manager may vote by proxy, provided such proxy is evidenced by a written authorization.

ARTICLE V COMPENSATION

5.1 Management Fee. The members agree that the Managers shall be compensated from time to time upon a vote to do so by members representing at least sixty-eight percent (68%) interest in capital. The Managers shall be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the business of the Company.

ARTICLE VI CAPITAL ACCOUNTS

6.1 Books. Richard M. Theile shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Managers shall select. The Company's accounting period shall be the calendar year.

6.2 Additional Capital Contributions. No member shall be required to make any additional capital contributions unless approved by a favorable vote of (i) members holding at least a 68% Interest in Capital, and (ii) four out of five Managers. Notwithstanding the previous sentence, a member may nevertheless refuse to make an additional capital contribution, and in such event, his Interest in Capital and Sharing Ratio shall be proportionately reduced (diluted) to account for the fact that other members contributed and he did not.

6.3 Capital Accounts. A separate Capital Account will be maintained for each member.

(a) Each member's Capital Account will be increased by:

- (i) The amount of money contributed by the member to the Company;
- (ii) The fair market value of property contributed by the member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under IRC §752);
- (iii) Allocations to the member of net profits and net losses; and
- (iv) Allocations to the member of income described in IRC §705(a)(1)(B).

(b) Each member's Capital Account will be decreased by:

- (i) The amount of money distributed to the member by the Company;
- (ii) The fair market value of property distributed to the member by the Company (net of liabilities secured by such distributed property that such member is considered to assume or take subject to under IRC §752);
- (iii) Allocations to the member of expenditures described in IRC §705(a)(2)(B); and
- (iv) Allocations to the account of the member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

(c) In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company (as defined in Article VII, hereof), the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treas. Reg. §1.704-1(b)(2)(iv).

(d) The manner in which Capital Accounts are to be maintained pursuant to this section 6.3 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this section 6.3 should be modified to comply with IRC §704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section 6.3, the method in which Capital Accounts are maintained shall be so

modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the members.

(e) Upon liquidation of the Company (or any member's Membership Interest or any Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the members and Economic Interest owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within 60 days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a member or Economic Interest owner whose interest is liquidated (either upon the withdrawal of the member or the liquidation of the Company) against the amount otherwise distributable to the member.

(f) Except as otherwise required in the Colorado Limited Liability Company Act (and subject to sections 6.1 and 6.2 above), no member or Economic Interest owner shall have any liability to restore all or any portion of a deficit balance in the member's or Economic Interest owner's Capital Account.

6.4 Withdrawal or Reduction of Members' Contributions to Capital. A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to members on account of their capital contributions, have been paid or there remains property of the Company sufficient to pay them.

6.5 Transfers During Year. To avoid an interim closing of the Company's books, the share of profits and losses under Article 3 of a member who transferred part or all of his interest in the Company during the calendar year shall be determined by taken his proportionate share of the amount of the profits and losses for the year. The Managers shall make the proration based on the portion of the calendar year that has elapsed prior to the transfer. The Managers shall allocate the balance of the profits and losses attributable to the transferred interest to the transferee of such interest.

6.6 Reports. The Managers shall close the books of account promptly after the close of each calendar year, and shall prepare and send to each member a statement of such member's distributive share of income and expense for federal income tax reporting purposes.

6.7 Overriding Allocations.

(a) Minimum Gain Chargeback. Subject to the exceptions set forth in Section 1.704-2(f) of the regulations, if there is a net decrease in partnership minimum gain (as defined in Section 1.704-2(d) of the regulations) during a fiscal year, each member

shall be specifically allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partnership minimum gain (which share of such net decrease shall be determined in accordance with Section 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(a) shall constitute a "minimum gain chargeback" as provided by Section 1.704-2(f) of the regulations.

(b) Chargeback of Nonrecourse Debt Minimum Gain. Subject to the exceptions set forth in Section 1.704-2(i)(4) of the regulations, if there is a net decrease in partner nonrecourse debt minimum gain (as defined in Section 1.704-2(i)(2) of the regulations) during a fiscal year attributable to a partner nonrecourse debt (as defined in Section 1.704-2(b)(4) of the regulations), each member with a share of partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Section 1.704-2(i)(5) of the regulations, shall be specially allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partner nonrecourse debt (which share of such net decrease shall be determined under Sections 1.704-2(i)(4) and 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(b) shall constitute a "chargeback of partner nonrecourse debt minimum gain" as provided by Section 1.704-2(i)(4) of the regulations.

(c) Nonrecourse Deductions. Any partner nonrecourse deductions (as defined in Section 1.704-2(i)(2) of the regulations) for any fiscal year or other period shall be allocated to the member who bears the economic risk of loss (as such term is defined in Sections 1.704-2(b)(4) and 1.752-2 of the regulations) with respect to the loan to which such partner nonrecourse deductions are attributable in accordance with Section 1.704-2(i)(1) of the regulations.

(d) Qualified Income Offset. Notwithstanding anything to the contrary herein, except for the provisions of this Section 6.7 set forth below, in the event that a member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the regulations, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to the member in the manner required by Section 1.704-1(b)(2)(ii)(d) of the regulations to eliminate, to the extent required thereby, the deficit in the capital account of such member as quickly as possible. It is intended that this Section 6.7(d) constitutes a "qualified income offset" as provided by Section 1.704-1(b)(2)(ii)(d)(3) of the regulations.

(e) Savings Provision. Notwithstanding anything to the contrary herein, if the allocation of any item of income, gain, loss, deduction, expenditure or credit under this agreement does

not have substantial economic effect under Section 1.704-1(b)(2) of the regulations and is not in accordance with the members' interests in the Company within the meaning of Section 1.704-1(b)(3) of the regulations, then such item shall be reallocated in such manner as to (A) either have substantial economic effect or to be in accordance with the members' interests in the Company and (B) result as nearly as possible (consistent with clause (i)) in the respective balances of the Capital Accounts that would have resulted if such item had instead been allocated hereunder without regard to this Section 6.7.

ARTICLE VII
TRANSFERS OF A MEMBER'S MEMBERSHIP
INTEREST OR MEMBER'S ECONOMIC INTEREST

7.1 Restrictions.

(a) General. No sale, transfer, assignment, exchange or other disposition of any member's interest in the Company ("Membership Interest") may be made if such sale, transfer, assignment, exchange or other disposition would violate or not comply with any of the provisions of this Article VII. In no event shall all or any part of the Membership Interest of a member be assigned or transferred to a minor (other than to a member of a member's immediate family by reason of the death of a member pursuant to Sections 7.3 and 7.4 hereof) or to an incompetent. The Managers may, in addition to any other requirement it may impose, require as a condition of sale, transfer, assignment, exchange or other disposition of any Membership Interest by a member, that the transferor (i) assume all costs incurred by the Company in connection therewith, and (ii) furnish the Company with an opinion of counsel satisfactory to the Company to the effect that such sale, transfer, exchange or other disposition (a) is permissible under this Agreement, (b) will not operate to terminate the Company for federal income tax purposes, (c) does not violate the Securities Act of 1933, as amended, or any other applicable federal or state securities laws or the rules and regulations promulgated thereunder, (d) will not cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, and (e) does not have any adverse effect on any exemption from registration or qualifications for the sales of Company interests under applicable securities laws.

(b) Compliance With Code. Notwithstanding any other provisions of this Agreement, no sale or exchange of any Membership Interest may be made (i) if the Membership Interest sought to be sold or exchanged, when added to the total of all other membership interests sold or exchanged within the period of 12 consecutive months prior to the proposed date of sale or exchange, would result in the termination of the Company under Section 708 of the Internal Revenue Code of 1986, as amended (or any successor statute), or (ii) if any such sale, transfer, assignment, exchange or other disposition would cause the Company to be treated as an association

taxable as a corporation for federal income tax purposes. A sale or exchange shall not be deemed to have such effect if, prior to the date of transfer, a ruling of the Internal Revenue Service (or its successors) to the effect that such proposed sale or exchange will not result in such termination shall have been published in the Internal Revenue Bulletin or a private ruling to the same effect shall have been granted to the transferring member or the Company upon the application and at the expense of the member desiring to sell or exchange his Membership Interest.

(c) Securities Laws. Notwithstanding any other provision of this Agreement, no sale, transfer, exchange or other disposition of any membership interest may be made except in compliance with all applicable federal and state securities laws and the rules and regulations of each governmental authority having jurisdiction over such disposition. No member shall sell or otherwise dispose of his Company interest, or any interest therein, without registration under the Securities Act of 1933, as amended, or the availability of an exemption from registration under such Act.

(d) Violation. Any sale, transfer, assignment, exchange or other disposition in contravention of any of the provisions of this Section 7.1 or any other provisions of this Agreement shall be void and ineffectual and shall not bind or be recognized by the Company.

7.2 Right of First Refusal.

(a) Offer to Members. A member (hereinafter in this Section referred to as the "Selling Member") may not, except as provided in Section 7.2(d) and 7.3 of this Agreement, sell, transfer, alienate, assign, give, bequeath or otherwise dispose of all or any portion of his Membership Interest, whether voluntarily or by operation of law or at a judicial sale or otherwise, to any person without first offering the same for a period of 30 days to the members at a price and upon terms no less favorable than those which the Selling Member is willing to accept from a third party (as evidenced by a bona fide offer received from such third party by such Selling Member). Such offer by a Selling Member to sell to the other members shall be in writing and shall contain a statement setting forth the price and terms offered by, and the name and address of, such third party.

(b) Acceptance by Members. Within 30 days after receipt of such written offer, the members may accept such offer in writing with respect to all or a portion of the Membership Interest being offered by the Selling Member, in which case the Selling Member and the other members shall, subject to the provisions of Section 7.1, promptly consummate such sale. In the event that two or more members desire to purchase the Membership Interest of the Selling Member and are unable to agree as to the apportionment thereof, each such member shall be entitled to purchase that portion of the Selling Member's Membership Interest which bears to the entire

Selling Member's Membership Interest the same ratio which his Membership Interest bears to the aggregate of the membership interests of all the members desiring to purchase such Selling Member's membership interest.

(c) Offer and Sale to Other Persons. If, within such 30-day period, the members have not agreed to purchase on the terms and conditions above provided, all or a portion of the Membership Interest being offered by the Selling Member, the Selling Member may, subject to the provisions of Section 7.1 hereof, within 45 days from the date of expiration of such 30-day period, transfer his Membership Interest (or that portion of his Membership Interest not purchased by the remaining members) to such third party at a price not less than the price, and on terms not less favorable to the Selling Member than the terms, at which such Membership Interest was offered to the other members. If such Membership Interest is not so disposed of within such period of 45 days, the Selling Member shall, before the disposition of his Membership Interest, again be obligated to offer it first to the other members pursuant to this Section 7.2.

(d) Method of Payment. The purchasing members shall pay for the selling member's Membership Interest in cash within 60 days after notifying the selling member of the exercise of their right to purchase such interest.

(e) Application to Trustees, Executors, Administrators and Guardians. The provisions of Sections 7.2(a), 7.2(b) and 7.2(c) shall not apply to any transfer or assignment of the Membership Interest of a bankrupt, deceased, dissolved or incompetent member to the trustee, executor, administrator or guardian of his estate, or to any transfer to a designated assignee as provided in Section 7.3 hereof, but said provisions shall thereafter apply to such trustee, executor, administrator, guardian or designated assignee to the same extent that (i) such person becomes a substitute member pursuant to Section 7.4, and (ii) under the circumstances of any particular transfer, sale, alienation, assignment, gift, bequest or other disposition, such provision would have applied to the bankrupt, deceased, dissolved or incompetent member.

7.3 Death or Incompetency. A member may, by written testamentary instrument, designate any one or more of his immediate family to become the assignee or assignees of his Membership Interest as a member immediately upon his death. Any such designation must be filed with the Managers during such member's lifetime. Such designation may be revoked from time to time and a new such designation made and so filed with the Managers. If a member dies, such person or entity as he may have designated by duly executed testamentary instrument signed by him and delivered to the Managers before or after his death or, if he has made no such designation, his executor or administrator shall succeed to his interest in the profit or loss and capital of the Company (the "Economic Interest"). If a member shall be adjudicated insane,

incompetent or incapacitated, his committee, guardian or conservator shall succeed to such Economic Interest. No such successor shall have any right to participate in the management of the Company, except as provided in Section 7.4. Notwithstanding any other provisions of this Section 7.3, the Company need not recognize such designated assignee or assignees until (i) duly notified in writing of the death of the assignor member, and (ii) furnished with an opinion of counsel acceptable to the Company to the effect that such designation is valid under applicable laws of descent and distribution.

7.4 Substitution of Transferee as Member. A member and an owner may not sell, assign or otherwise dispose of all or any part of his Membership Interest or Economic Interest in the Company except as otherwise provided in Articles 7.1, 7.2 and 7.3. No transferee, or the legal representative of a member, shall become a substitute member without the unanimous consent of the non-transferring members. In the event that such a consent is not granted, (i) the transferee shall have no right to participate in the management of the business and affairs of the Company and shall be entitled only to receive the share of profits or losses and the return of contributions to which that member would otherwise be entitled, and (ii) the remaining member's respective Interests in Capital shall be increased - for voting purposes only - to allocate what would be the non-participating transferee's voting percentage (based on his Interest in Capital) among the remaining members on a pro rata basis in proportion to such remaining member's relative Interests in Capital. As conditions to his admission as a substitute member (a) any transferee, or the legal representative of the member, shall execute and deliver such instruments, in form and substance satisfactory to the Managers, as the Managers shall deem necessary or desirable to cause him to become a substitute member, and (b) such transferee, or legal representative, shall pay all reasonable expenses in connection with his admission as a substitute member, including but not limited to, the cost of preparation and filing of any amendment of the Operating Agreement or the Articles of Organization necessary to desirable in connection therewith.

7.5 Authority of Managers. Subject to and upon the terms set forth in this Article 7 and Article 1.11, the Managers are authorized (a) to admit substitute members; (b) to exercise the power of attorney granted in Article 9 to amend this Operating Agreement or the articles of organization to reflect such substitution; and (c) to file any such amendment in the appropriate depositories.

7.6 Tax Allocations and Cash Distributions. If a Membership Interest is transferred, the Net Profit or Net Loss allocable, and Cash Flow distributable, to the holder of such Membership Interest for the then Fiscal Year shall be allocated proportionately among the transferor and the transferee based upon the number of calendar days during such Fiscal Year for which each party was the owner of the transferred Membership Interest. However, if such parties

agree that such Net Profit or Net Loss and Cash Flow are to be allocated and distributed based upon an interim closing of the Company books, and such parties agree to pay all expenses incurred by the Company in connection therewith then all such Net Profits or Net Losses and cash shall be allocated and distributed among the transferor and the transferee based upon an interim closing of the Company's books and records.

ARTICLE VIII DISSOLUTION AND TERMINATION

8.1 Final Accounting. In case of the Company's dissolution, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution, by an independent accounting firm.

8.2 Liquidation. Upon the Company's dissolution and the failure of the remaining members to continue the Company as provided in Article 1.6, the Managers or some person selected by a majority in number of the members shall act as liquidator to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the Company's affairs in an orderly and prudent manner. The liquidator shall distribute all proceeds from liquidation to the members in proportion to their Sharing Ratios.

8.3 Distribution in Kind. If the members shall unanimously determine that a portion of the Company's assets should be distributed in kind to the members, the liquidator shall distribute such assets to them, in conjunction with all other distributions, in proportion to their Sharing Ratios.

8.4 Cancellation of Certificate. Upon the completion of the distribution of Company assets, the Company shall be terminated and the members shall cause the Company to execute articles of dissolution and take such other actions as may be necessary to terminate the Company.

ARTICLE IX POWERS OF ATTORNEY

9.1 Appointment of Managers. Each member by his execution hereof does irrevocably constitute and appoint each Manager, with full power of substitution, as his true and lawful attorney, in his name, place and stead to file articles of organization with the appropriate depositories and to execute, acknowledge, swear to and file (a) all amendments to this Operating Agreement or to the articles of organization required by law or authorized or required by the provisions of this Operating Agreement or the articles of organization; (b) all certificates and other instruments necessary to qualify or continue the Company as a limited liability company wherein the members have limited liability in the states where the Company may be doing business; and (c) all conveyances and other

instruments necessary to effect the Company's dissolution and termination.

9.2 Irrevocable. The powers of attorney granted herein shall be deemed to be coupled with an interest and shall be irrevocable and survive the death or incompetency of the members. In the event of any conflict between this Operating Agreement and any instruments filed by such attorney pursuant to the power of attorney granted in this section, this Operating Agreement shall control.

ARTICLE X AMENDMENT TO AGREEMENT

Amendments to this Operating Agreement and to the articles of organization that are of an inconsequential nature (as determined by the Managers) and do not affect the rights of the other members in any material respect, or that are contemplated by this Operating Agreement and to the articles of organization (including without limitation those contemplated by Article 7.4), may be made by the Managers through the exercise of the powers of attorney granted in Article 9. Any other amendment to this Operating Agreement and to the articles of organization may be proposed to the members by the Managers. The Managers shall submit to the members any such proposed amendment and the recommendation of the Managers as to its adoption. A proposed amendment shall become effective at such time as it has been approved in writing by all members, except that Article VII may be amended by approval of at least a sixty-eight (68%) percent vote of the members, calculated in accordance with their Interests in Capital.

ARTICLE XI NOTICES AND CONSENTS

11.1 Method for Notices. All notices and consents hereunder shall be sent by facsimile or first class mail, postage prepaid, and addressed as set forth in Article 1.10 above (except that any member may from time to time give notice changing his address for such purpose) and shall be effective on the date of receipt or on the fifth day after mailing, whichever is earlier.

11.2 Computation of Time. In computing any period of time under this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE XII
GENERAL PROVISIONS

12.1 Entire Agreement. This Operating Agreement (a) contains the entire agreement among the parties, (b) except as provided in Article 10, may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, (c) shall be construed in accordance with, and governed by, the laws of Colorado, (d) may be executed in counterparts, and (e) shall be binding upon and shall inure to the benefit of the parties and their respective personal representatives, successors and assigns, except as above set forth.

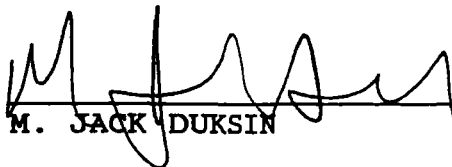
12.2 Construction Principles. Words in any gender shall be deemed to include the other genders. The singular shall be deemed to include the plural and vice versa. The headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of this Operating Agreement.

IN WITNESS WHEREOF, the members acknowledge under penalties of perjury that the matters and facts set forth in this Operating Agreement are true and that they have signed this Operating Agreement on the respective dates set forth below to be effective as of the date first above written.

MEMBERS:



RICHARD M. THEILE



M. JACK DUKSIN

MICHAEL HINES

CURTIS SWANKY

BILL BAIRD

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MEMBERS:


RICHARD M. THEILE

M. JACK DUKSIN

MICHAEL HINES



CURTIS SWANK



BILL BAIRD

STATE OF GA)
COUNTY OF FULTON) ss.:

On this 7 day of NOV., 1994, before me personally came Michael Hines, to me personally known, who, being by me duly sworn, did depose and say that he resides at ATL, GA and that he is a member of the Silvercreek Land Company, L.L.C, and that he executed the foregoing Operating Agreement.

Kathleen Q. Almond
Notary Public

STATE OF

Arizona

)

COUNTY OF

Maricopa

)

SS.:

On this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix Az and that he is a member of Twin City Development, L.L.C., and that he executed the foregoing Operating Agreement.



Susan Featherston
Notary Public

ARTICLE XII
GENERAL PROVISIONS

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IN WITNESS WHEREOF, the members acknowledge under penalties of perjury that the matters and facts set forth in this Operating Agreement are true and that they have signed this Operating Agreement on the respective dates set forth below to be effective as of the date first above written.

MEMBERS:

RICHARD M. THEILE

M. JACK DUKSIN

MICHAEL HINES



CURTIS SWANK

BILL BAIRD

STATE OF Arizona
COUNTY OF Maricopa

)
) ss.:
)

On this 7th day of November, 1994, before me personally came Curtis Swanky, to me personally known, who, being by me duly sworn, did depose and say that he resides at Phoenix AZ and that he is a member of Twin City Development, L.L.C., and that he executed the foregoing Operating Agreement.



Susan Featherston
Notary Public

Post - Restructuring
Rico Properties LLC
Operating Agreement

AMENDED AND RESTATED

OPERATING AGREEMENT

FOR

RICO PROPERTIES LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT is made and entered into as of November 11, 1994, by Stanley A. Foster and Forrest D. Foster (referred to as the "members" and individually as a "member").

WHEREAS, effective November 11, 1994, Stanley A. Foster and Forrest D. Foster are the only members of the Rico Properties Limited Liability Company, and

WHEREAS, the members desire to amend and restate the Rico Properties Limited Liability Company Operating Agreement, pursuant to the laws of the State of Colorado.

Accordingly, in consideration of the mutual covenants contained herein, the members agree and certify as follows:

ARTICLE I

THE LIMITED LIABILITY COMPANY

1.1 Formation. The members hereby form a limited liability company (the "Company") subject to the provisions of the Colorado Limited Liability Company Act as currently in effect (the "Act").

1.2 Filing. In connection with the execution of this Operating Agreement, the members shall cause articles of organization that comply with the requirements of the Act to be properly filed with the Colorado Secretary of State and Commercial Code, and shall execute such further documents (including amendments to the articles of organization) and take such further action as is appropriate to comply with the requirements of law for the formation or operation of a limited liability company in all states and counties where the Company may conduct its business.

1.3 Name. The name of the Company shall be Rico Properties Limited Liability Company.

1.4 Registered Office, Registered Agent. The location of the registered office of the Company shall be One Hinkley Drive, P.O. Box 220, Rico, Colorado 81332 and thereafter at such other location as the members may designate. The Company's registered agent at such address shall be Stanley A. Foster.

1.5 Events of Dissolution. The Company shall continue until December 31, 2021, unless sooner dissolved by:

(a) the affirmative vote of members whose interests in capital as defined in Article 2.2 equals 100% of all Interests in Capital;

(b) any event which makes it unlawful for the business of the Company to be carried on by the members;

(c) the death, retirement, resignation, expulsion, bankruptcy or dissolution of a member or the occurrence of any other event that terminates the continued membership of a member in the Company; or

(d) any other event causing a dissolution of a limited liability company under the Act.

1.6 Continuance of the Company. Notwithstanding the foregoing provisions of Article 1.5, upon the occurrence of an event described in Article 1.5(c), if there are at least two remaining members, the remaining members have the right to continue the business of the Company. Such right can be exercised only by the affirmative unanimous vote of the remaining members, within 90 days after the occurrence of an event described in Article 1.5(c), to continue the business of the Company. If not so exercised, the right of the members to continue the business of the Company shall expire and the Company's affairs shall be wound up as provided in Article 8.

1.7 Management of Business. The name and place of residence of each manager are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Stanley A. Foster | One Hinkley Drive P.O. Box 20 Rico, CO 81332 |

These managers shall serve for a one year term, unless they sooner resign. Their successors shall be elected by a vote of a simple majority of the members, by sharing ratios as defined in Article 3.1.

1.8 Business. The business of the Company shall be:

(a) To carry on the real estate business. To acquire by purchase, real property located in and around Rico, Colorado, pursuant to the purchase agreement annexed hereto, and interests of all kinds therein, and (i) to hold, own, develop, improve, manage, operate, let as lessor or sublessor, and mortgage such property; (ii) to sell and exchange such property and interests therein; (iii) to obtain, use, dispose of and deal in and with such property in every other manner, either alone or in conjunction with others, as partners, joint venturers or otherwise; and (iv) to carry on the business of finder, consultant and all other functions in connection therewith.

(b) To transact other business. To transact any and all other businesses for which limited liability companies may be formed under Colorado law.

(c) To act on own account or for others. To accomplish any of the foregoing purposes for its own account or as nominee, agent or trustee for others.

1.9 Principal Place of Business. The location of the principal place of business of the Company shall be at c/o the offices of Stanley A. Foster, One Hinkley Drive, P.O. Box 220, Rico, Colorado 81332, or at such other place as the Managers from time to time may select.

1.10 The Members. The name and place of residence of each member are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|---|
| Stanley A. Foster | P.O. Box 66 Rico, Colorado 81332 Fax No. (303) 728-2144 |
| Forrest D. Foster | <i>P.O.B. 131, 507 2nd st. Duray Co. 81427</i> |

1.11 New Members. New members may be admitted only upon such terms and conditions as all the then existing members by unanimous consent may so determine.

ARTICLE II CAPITAL CONTRIBUTIONS

2.1 Initial Contributions. The members initially shall contribute to the Company's capital the following amounts in the manner hereinafter described:

| | |
|-----------------------|-----------------|
| (a) Stanley A. Foster | \$99.00 in cash |
| (b) Forrest D. Foster | \$1.00 in cash |

2.2 Interests in Capital. The interests of the members in the capital originally contributed to the Company are as follows:

| <u>Name</u> | <u>Interest in Capital</u> |
|-------------------|----------------------------|
| Stanley A. Foster | 99% |
| Forrest D. Foster | 1% |

2.3 Additional Contributions. Except as provided in Article 6.2, no member shall be obligated to make any additional contribution to the Company's capital.

2.4 Vote of Members. For purposes of this agreement, any majority vote of the members shall require a majority in interest, calculated according to the members' Interests in Capital set forth in Section 2.2.

ARTICLE III PROFITS, LOSSES AND DISTRIBUTIONS

3.1 Profits and Losses. All of the Company's net profits or net losses and net distributable cash shall be determined on an annual basis and shall be allocated to the members in proportion to their Sharing Ratios. The "Sharing Ratio" of each member is set forth below opposite his name:

| <u>Name</u> | <u>Sharing Ratio</u> |
|-------------------|----------------------|
| Stanley A. Foster | 99% |
| Forrest D. Foster | 1% |

3.2 Distributions. Annually or at more frequent intervals as the members may by majority vote determine, the Managers shall distribute available funds to the members, in proportion to their Sharing Ratios. "Available funds" for this purpose means the Company's gross cash receipts, less the Company's expenditures, and less the amount that, in the Managers' reasonable judgment, the Company should retain in order to fulfill its business purposes.

ARTICLE IV MANAGEMENT

4.1 Members. The liability of the members shall be limited as provided in the Colorado Limited Liability Company Act.

4.2 Powers of Managers.

(a) Subject to Articles 4.2(b) and (c) below, Stanley A. Foster is primarily responsible for all aspects of project management and running the day to day business of the Company.

(b) The Manager is authorized on the Company's behalf to make all decisions as to (a) the sale or other disposition of substantially all of the Company's assets in a single transaction or a series of related transactions; (b) the improvement and development of the Company's assets; (c) the purchase or other acquisition of other assets of all kinds; (d) the resolution of significant or material issues regarding the management of all or any part of the Company's assets; (e) the borrowing of money and the granting of security interests in the Company's assets (including loans from members) (except see Section 6.8 hereof with respect to a \$700,000 working capital loan); (f) the prepayment, refinancing or extension of any mortgage affecting the Company's assets; (g) the compromise or release of any of the Company's claims or debts; and (h) the employment of persons, firms or corporations for the operation and management of the Company's business. In the exercise of his day to day management powers, Stanley A. Foster is authorized to execute and deliver (a) all contracts, conveyances, assignments, leases, subleases, franchise

agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds for any one item, subject matter or related items or subject matter; (c) all promissory notes, mortgages, deeds of trust, security agreements and other similar documents; and (d) all other instruments of any kind or character relating to the Company's affairs, whether like or unlike the foregoing.

(c) The Manager is authorized on the Company's behalf to sell or otherwise dispose of less than substantially all of the Company's assets in the ordinary course of the Company's business.

4.3 Nominee. Title to the Company's assets shall be held in the Company's name or in the name of any nominee (including a Manager so acting) that the Manager may designate. The Manager shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.4 Time Devoted to Business. Stanley A. Foster shall devote such time to the business of the Company as is necessary for the efficient and successful operation of the Company's business. The Manager shall at all times be free to engage for his own account in all aspects of any other business or investment similar or dissimilar to the ones in which the Company is involved.

4.5 Information Relating to Company. Upon request, each Manager possessing information regarding the Company or its activities shall supply such information to any member. Each member or his authorized representative shall have access to and may inspect and copy all books, records and materials in any Manager's possession regarding the Company or its activities. The reasonable exercise of the rights contained in this Article 4.5 shall be at the Company's member's expense.

4.6 Exculpation. Any act or omission of the Manager, the effect of which may cause or result in loss or damage to the Company or the members if done in good faith to promote the best interests of the Company, shall not subject the Manager to any liability to the members.

4.7 Records at Principal Place of Business. Stanley A. Foster shall cause the Company to keep at its principal place of business the following:

(a) a current list in alphabetical order of the full name and last known business street address of each member;

(b) a copy of the stamped articles of organization and all certificates of amendment to them, together with executed copies of any powers of attorney pursuant to which any certificate of amendment has been executed;

(c) a complete and accurate current account of all receipts and disbursements, and of all current and long term accounts payable, accounts receivable and liabilities; and

(d) complete copies of all architectural drawings, construction specifications, and all other documents relating to the business of the Company, including proceedings before any governmental authority, and all contracts, invoices, etc.

4.8 Meetings of the Managers; Quorum. The Managers (if more than one) shall meet at least once a year by teleconference or in person, upon no less than 24 hours prior written notice given by facsimile or otherwise. A quorum shall exist if at least a majority of Managers are present, by telephone, or in person to participate. A Manager may vote by proxy, provided such proxy is evidenced by a written authorization.

ARTICLE V COMPENSATION

5.1 Management Fee. The members agree that Stanley A. Foster shall render the following services to the Company for which he shall be entitled to the following compensation:

Primary responsibility for all aspects of day to day project management: such amount as the members shall from time to time by majority vote decide.

ARTICLE VI CAPITAL ACCOUNTS

6.1 Books. Stanley A. Foster shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the Manager shall select. The Company's accounting period shall be the calendar year.

6.2 Additional Capital Contributions. No member shall be required to make any additional capital contributions unless approved by a favorable vote of (i) members holding a 69% Interest in Capital, and (ii) a majority of the Managers (if there is more than one Manager). Notwithstanding the previous sentence, a member may nevertheless refuse to make an additional capital contribution, and in such event, his Interest in Capital and Sharing Ratio shall be proportionately reduced (diluted) to account for the fact that other members contributed and he did not.

6.3 Capital Accounts. A separate Capital Account will be maintained for each member.

- (a) Each member's Capital Account will be increased by:
 - (i) The amount of money contributed by the member to the Company;
 - (ii) The fair market value of property contributed by the member to the Company (net of liabilities secured by such contributed

property that the Company is considered to assume or take subject to under IRC §752);

(iii) Allocations to the member of net profits and net losses; and

(iv) Allocations to the member of income described in IRC §705(a)(1)(B).

(b) Each member's Capital Account will be decreased by:

(i) The amount of money distributed to the member by the Company;

(ii) The fair market value of property distributed to the member by the Company (net of liabilities secured by such distributed property that such member is considered to assume or take subject to under IRC §752);

(iii) Allocations to the member of expenditures described in IRC §705(a)(2)(B); and

(iv) Allocations to the account of the member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

(c) In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company (as defined in Article VII, hereof), the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treas. Reg. §1.704-1(b)(2)(iv).

(d) The manner in which Capital Accounts are to be maintained pursuant to this section 6.3 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this section 6.3 should be modified to comply with IRC §704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section 6.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the members.

(e) Upon liquidation of the Company (or any member's Membership Interest or any Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the members and Economic Interest owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within 60

days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a member or Economic Interest owner whose interest is liquidated (either upon the withdrawal of the member or the liquidation of the Company) against the amount otherwise distributable to the member.

(f) Except as otherwise required in the Colorado Limited Liability Company Act (and subject to sections 6.1 and 6.2 above), no member or Economic Interest owner shall have any liability to restore all or any portion of a deficit balance in the member's or Economic Interest owner's Capital Account.

6.4 Withdrawal or Reduction of Members' Contributions to Capital. A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to members on account of their capital contributions, have been paid or there remains property of the Company sufficient to pay them.

6.5 Transfers During Year. To avoid an interim closing of the Company's books, the share of profits and losses under Article 3 of a member who transferred part or all of his interest in the Company during the calendar year shall be determined by taken his proportionate share of the amount of the profits and losses for the year. The Managers shall make the proration based on the portion of the calendar year that has elapsed prior to the transfer. The Managers shall allocate the balance of the profits and losses attributable to the transferred interest to the transferee of such interest.

6.6 Reports. The Manager shall close the books of account promptly after the close of each calendar year, and shall prepare and send to each member a statement of such member's distributive share of income and expense for federal income tax reporting purposes.

6.7 Overriding Allocations.

(a) Minimum Gain Chargeback. Subject to the exceptions set forth in Section 1.704-2(f) of the regulations, if there is a net decrease in partnership minimum gain (as defined in Section 1.704-2(d) of the regulations) during a fiscal year, each member shall be specifically allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partnership minimum gain (which share of such net decrease shall be determined in accordance with Section 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(a) shall constitute a "minimum gain chargeback" as provided by Section 1.704-2(f) of the regulations.

(b) Chargeback of Nonrecourse Debt Minimum Gain. Subject to the exceptions set forth in Section 1.704-2(i)(4) of the regulations, if there is a net decrease in partner nonrecourse debt minimum gain (as defined in Section 1.704-2(i)(2) of the regulations) during a fiscal year attributable to a partner

nonrecourse debt (as defined in Section 1.704-2(b)(4) of the regulations), each member with a share of partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Section 1.704-2(i)(5) of the regulations, shall be specially allocated items of gross income for such fiscal year (and, if necessary, for subsequent fiscal years) in an amount equal to such member's share of the net decrease in partner nonrecourse debt (which share of such net decrease shall be determined under Sections 1.704-2(i)(4) and 1.704-2(g)(2) of the regulations). It is intended that this Section 6.7(b) shall constitute a "chargeback of partner nonrecourse debt minimum gain" as provided by Section 1.704-2(i)(4) of the regulations.

(c) Nonrecourse Deductions. Any partner nonrecourse deductions (as defined in Section 1.704-2(i)(2) of the regulations) for any fiscal year or other period shall be allocated to the member who bears the economic risk of loss (as such term is defined in Sections 1.704-2(b)(4) and 1.752-2 of the regulations) with respect to the loan to which such partner nonrecourse deductions are attributable in accordance with Section 1.704-2(i)(1) of the regulations.

(d) Qualified Income Offset. Notwithstanding anything to the contrary herein, except for the provisions of this Section 6.7 set forth below, in the event that a member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the regulations, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to the member in the manner required by Section 1.704-1(b)(2)(ii)(d) of the regulations to eliminate, to the extent required thereby, the deficit in the capital account of such member as quickly as possible. It is intended that this Section 6.7(d) constitutes a "qualified income offset" as provided by Section 1.704-1(b)(2)(ii)(d)(3) of the regulations.

(e) Savings Provision. Notwithstanding anything to the contrary herein, if the allocation of any item of income, gain, loss, deduction, expenditure or credit under this agreement does not have substantial economic effect under Section 1.704-1(b)(2) of the regulations and is not in accordance with the members' interests in the Company within the meaning of Section 1.704-1(b)(3) of the regulations, then such item shall be reallocated in such manner as to (A) either have substantial economic effect or to be in accordance with the members' interests in the Company and (B) result as nearly as possible (consistent with clause (i)) in the respective balances of the Capital Accounts that would have resulted if such item had instead been allocated hereunder without regard to this Section 6.7.

6.8 Working Capital Loan. The members hereby authorize the Company to obtain a working capital loan from the Bank of Telluride in an amount of up to \$700,000. The members each agree that, if the Bank of Telluride requires that each of them sign a joint and several guaranty of collection (that is, a guarantee whereby the Bank will proceed against the guarantors only after the Bank fully

pursues all remedies against the Rico Property which will serve as collateral for such loan) that they each shall promptly do so, provided that if the member is a limited liability entity, then such entity shall cause one or more owners of such entity to execute such guaranty whereby such owner or owners shall be liable under the guaranty in proportion to such member's proportionate interest in Capital. Each member agrees that, if and to the extent such member pays more than his pro-rata portion of such loan pursuant to such guaranty, or otherwise, (determined by his interest in Capital) then he shall have an absolute right of contribution from all other guarantors and/or members based on their respective proportionate interest in the loan.

ARTICLE VII
TRANSFERS OF A MEMBER'S MEMBERSHIP
INTEREST OR MEMBER'S ECONOMIC INTEREST

7.1 Assignment.

(a) If at any time a member proposes to sell, assign or otherwise dispose of his interest in the Company ("Membership Interest"), such member (the "selling member") shall make a written offer to sell such interest to the other members at a price determined by the selling member on the terms and conditions set forth in Article 7.1(b). The other members shall have the right for a period of 30 days after receipt of such offer to elect to purchase all of such Membership Interest. In exercising their right to purchase, the other members may divide such Membership Interest in any manner to which they shall all agree, and not all of them must participate in the purchase. In the absence of such agreement, the other members shall divide such interest in proportion to their Sharing Ratios as of the time the offer is made. To exercise such right to purchase, the other members shall give written notice to the selling member. If any one or both of the other members do not elect to purchase all of such Membership Interest, then such non-purchasing member(s) must offer to sell all of his (their) Membership Interest in the Company to the selling member at a price equal to that previously determined by the selling member in the selling member's prior offer to sell. The selling member must in such event purchase from the other member(s) their Membership Interest in the Company on the terms and conditions set forth in Article 7.1(b). The selling member's failure or refusal for any reason to purchase the other member(s)' Membership Interest(s) in the Company at the price so determined shall constitute a material default hereunder. In such event, the remaining members may purchase the selling members' Membership Interest in the Company at a total aggregate cash price equal to one-half of the selling member's capital account.

(b) The purchasing members shall pay for the selling member's Membership Interest in cash within 30 days after notifying the selling member of the exercise of their right to purchase such interest.

7.2 Death or Incompetency. If a member dies, such person or entity as he may have designated by duly executed testamentary

instrument signed by him and delivered to the Managers before or after his death or, if he has made no such designation, his executor or administrator shall succeed to his interest in the profit or loss and capital of the Company (the "Economic Interest"). If a member shall be adjudicated insane, incompetent or incapacitated, his committee, guardian or conservator shall succeed to such Economic Interest. No such successor shall have any right to participate in the management of the Company.

7.3 Substitution of Transferee as Member. A member and an owner may not sell, assign or otherwise dispose of all or any part of his Membership Interest or Economic Interest in the Company except as otherwise provided in Articles 7.1 and 7.2. No transferee, or the legal representative of a member, shall become a substitute member without the unanimous consent of the non-transferring members. In the event that such a consent is not granted, the transferee has no right to participate in the management of the business and affairs of the Company and is entitled only to receive the share of profits or losses and the return of contributions to which that member would otherwise be entitled. As conditions to his admission as a substitute member (a) any transferee, or the legal representative of the member, shall execute and deliver such instruments, in form and substance satisfactory to the Managers, as the Managers shall deem necessary or desirable to cause him to become a substitute member, and (b) such transferee, or legal representative, shall pay all reasonable expenses in connection with his admission as a substitute member, including but not limited to, the cost of preparation and filing of any amendment of the Operating Agreement or the Articles of Organization necessary to desirable in connection therewith.

7.4 Authority of Managers. Subject to and upon the terms set forth in this Article 7 and Article 1.11, the Managers are authorized (a) to admit substitute members; (b) to exercise the power of attorney granted in Article 9 to amend this Operating Agreement or the articles of organization to reflect such substitution; and (c) to file any such amendment in the appropriate depositories.

ARTICLE VIII DISSOLUTION AND TERMINATION

8.1 Final Accounting. In case of the Company's dissolution, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution, by an independent accounting firm.

8.2 Liquidation. Upon the Company's dissolution and the failure of the remaining members to continue the Company as provided in Article 1.6, the Managers or some person selected by a majority in number of the members shall act as liquidator to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the Company's affairs in an orderly and prudent manner. The liquidator shall distribute all proceeds from liquidation to the members in proportion to their Sharing Ratios.

8.3 Distribution in Kind. If the members shall unanimously determine that a portion of the Company's assets should be distributed in kind to the members, the liquidator shall distribute such assets to them, in conjunction with all other distributions, in proportion to their Sharing Ratios.

8.4 Cancellation of Certificate. Upon the completion of the distribution of Company assets, the Company shall be terminated and the members shall cause the Company to execute articles of dissolution and take such other actions as may be necessary to terminate the Company.

ARTICLE IX POWERS OF ATTORNEY

9.1 Appointment of Managers. Each member by his execution hereof does irrevocably constitute and appoint each Manager, with full power of substitution, as his true and lawful attorney, in his name, place and stead to file articles of organization with the appropriate depositories and to execute, acknowledge, swear to and file (a) all amendments to this Operating Agreement or to the articles of organization required by law or authorized or required by the provisions of this Operating Agreement or the articles of organization; (b) all certificates and other instruments necessary to qualify or continue the Company as a limited liability company wherein the members have limited liability in the states where the Company may be doing business; and (c) all conveyances and other instruments necessary to effect the Company's dissolution and termination.

9.2 Irrevocable. The powers of attorney granted herein shall be deemed to be coupled with an interest and shall be irrevocable and survive the death or incompetency of the members. In the event of any conflict between this Operating Agreement and any instruments filed by such attorney pursuant to the power of attorney granted in this section, this Operating Agreement shall control.

ARTICLE X AMENDMENT TO AGREEMENT

Amendments to this Operating Agreement and to the articles of organization that are of an inconsequential nature (as determined by the Managers) and do not affect the rights of the other members in any material respect, or that are contemplated by this Operating Agreement and to the articles of organization (including without limitation those contemplated by Article 7.3), may be made by the Managers through the exercise of the powers of attorney granted in Article 9. Any other amendment to this Operating Agreement and to the articles of organization may be proposed to the members by the Managers. The Managers shall submit to the members any such proposed amendment and the recommendation of the Managers as to its adoption. A proposed amendment shall become effective at such time as it has been approved in writing by all members, except that Article VII may be amended by approval of an eighty percent (80%) vote of the members, calculated in accordance with their Interests in Capital.

ARTICLE XI
NOTICES AND CONSENTS

11.1 Method for Notices. All notices and consents hereunder shall be sent by facsimile or first class mail, postage prepaid, and addressed as set forth in Article 1.10 above (except that any member may from time to time give notice changing his address for such purpose) and shall be effective on the date of receipt or on the fifth day after mailing, whichever is earlier.

11.2 Computation of Time. In computing any period of time under this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE XII
GENERAL PROVISIONS

12.1 Entire Agreement. This Operating Agreement (a) contains the entire agreement among the parties, (b) except as provided in Article 10, may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, (c) shall be construed in accordance with, and governed by, the laws of Colorado, (d) may be executed in counterparts, and (e) shall be binding upon and shall inure to the benefit of the parties and their respective personal representatives, successors and assigns, except as above set forth.

12.2 Construction Principles. Words in any gender shall be deemed to include the other genders. The singular shall be deemed to include the plural and vice versa. The headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of this Operating Agreement.

IN WITNESS WHEREOF, the members acknowledge under penalties of perjury that the matters and facts set forth in this Operating

Agreement are true and that they have signed this Operating Agreement on the respective dates set forth below to be effective as of the date first above written.

MEMBERS:

Stanley A. Foster
Stanley A. Foster

STANLEY A. FOSTER

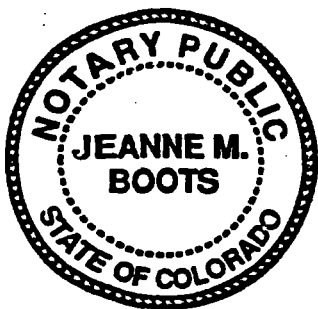
Forrest D. Foster
F.D. Foster

Forrest D. Foster

STATE OF COLORADO
COUNTY OF DOUGLAS

)
) ss.:
)

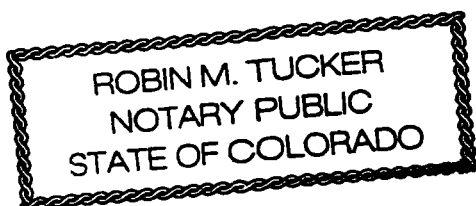
On this 9th day of November, 1994, before me personally came Forrest D. Foster, to me personally known, who, being by me duly sworn, did depose and say that he resides at 507 2nd St. Olathe and that he executed the foregoing Operating Agreement.

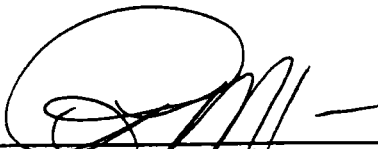


Jeanne M. Boots
Notary Public

STATE OF Colorado)
COUNTY OF San Miguel) ss.:

On this 9th day of November, 1994, before me personally came Stanley A. Foster, to me personally known, who, being by me duly sworn, did depose and say that he resides at Rico and that he executed the foregoing Operating Agreement.





Notary Public
my commission expires:
06/26/96

Consulting Agreement
between

Rico Advisory LLC
and

Rico Properties LLC

CONSULTING AGREEMENT

This Agreement dated as of November 11, 1994, between Rico Advisory Limited Liability Company, a Colorado limited liability company (hereinafter "Rico Advisory") and Rico Properties Limited Liability Company, a Colorado limited liability company (hereinafter "Rico LLC").

WHEREAS, Rico LLC owns and has options to purchase certain real property located in Rico, Colorado, and

WHEREAS, Rico Advisory has certain knowledge and expertise in regard to the development of real property similar to that located in Rico, Colorado, and

WHEREAS, Rico LLC desires to retain the services of Rico Advisory,

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Retention Agreement.

a. Rico LLC hereby retains Rico Advisory and Rico Advisory hereby agrees to advise Rico LLC with respect to all aspects of the subdivision and development of all real property now or hereafter owned by Rico LLC or with respect to which Rico LLC has an option to acquire.

b. Rico LLC agrees to keep Rico Advisory fully apprised of its real estate subdivision and development activities on a current basis, including, without limitation, giving Rico Advisory prior notice of its intention (i) to exercise any option to acquire any real property, (ii) to purchase, sell, transfer, exchange, or otherwise acquire or dispose of any real property, (iii) to subdivide, improve or develop any real property, (iv) to undertake any environmental tests or investigations, and (v) to pledge or encumber any of its real property.

c. Rico Advisory agrees to render comprehensive advice to Rico LLC on a current basis concerning any and all aspects of Rico LLC's real estate subdivision and development activities.

d. The parties understand and agree that such advice shall not be binding or controlling; and that it is the

intention of the parties that Rico LLC and Rico Advisory shall not be considered as joint venturers, principal and agent, or have any relationship to each other except for the contractual relationship specifically set forth herein.

2. Term of Agreement.

This Agreement shall be for an initial term of five (5) years and shall terminate on November 10, 1999, subject to an additional five (5) year term renewal, if both parties so agree at least ninety (90) days prior to the expiration of the initial term.

3. Consulting Fee.

Rico LLC agrees to pay Rico Advisory a fee of one hundred dollars (\$100) per month for its services rendered herein.

4. Agreement Binding.

This Agreement shall inure to the benefit of, and be binding upon, the parties, their successors, and assigns.

5. Governing Law.

This Agreement shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this document as of the day first written above.

RICO ADVISORY LIMITED LIABILITY COMPANY

by 
Richard M. Theile, Manager

by 
M. Jack Duksin, Manager

RICO PROPERTIES LIMITED LIABILITY COMPANY

by 
Stanley A. Foster, Manager

BAK Agency grant
to
David Hoffman

BAK, LLC, a Colorado limited liability company, hereby makes and appoints David I. Hoffman, of Telluride, Colorado, its authorized agent for the purpose of executing on its behalf any and all documents necessary or advisable to effectuate the restructuring of its interest in Rico Properties, LLC to be an interest in Rico Renaissance, LLC, a Colorado limited liability company to be formed.

Dated: October 26, 1994.

BAK, LLC

By William H. Baird
William H. Baird, Manager